EUROPE'S BUSINESS NEWSPAPER

FINANCIAL TIMES

AFRICA
Twilight zone of sub-Saharan statistics
Page 5

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World News

Yugoslavia sends army into Kosovo as more die

The army was called out in a show of force in Yugoslavia's southern province of Kosovo as more people died in clashes between the security forces and ethnic Albanians.

Six more people were killed yesterday following clashes between police and demonstrators. Page 14

Fighting eases

Fighting between General Michel Aoun's soldiers and the Christian Phalangist militia of Dr Samir Geagea eased *last night* after reports that the two men had agreed to a ceasefire. Page 4

Germans warn west

The US, Britain and France were given a solemn warning by leading W Germans to take seriously German aspirations on unity or risk sparking serious resentment against the western allies. Page 2

Turks fear violence

Turkish fears of a return to the extremist violence that led to the 1980 military coup have been stoked by the murder on Wednesday night in Ankara of Muammer Aksoy, head of the Turkish Law Association. Page 2

China poll move

China's Communist Party, reasserting its authority after suppressing pro-democracy *demonstrations last year, said* it would tighten control over coming local elections. Page 4

Troops out talks

Hungary and the Soviet Union began talks on a timetable for the withdrawal of all Soviet troops from Hungarian territory.

Naval cuts plan

Talks on cutting Soviet and US naval forces, particularly in the Asia-Pacific region, were proposed by Oleg Sokolov, the *Soviet ambassador in the Philippines*, who warned that a continued build-up at sea could cause strategic instability. Page 4

Arms conversion

Bonn and weapons manufacturers such as Daimler-Benz are beginning to show interest in converting military products into civilian ones, in the light of the quickening pace of disarmament. Page 3

Canada refugees up

The easing of travel restrictions in E Europe has led to an increase in the numbers arriving by air at Gander, Newfoundland, claiming refugee status in Canada. Page 3

Pope's warning

Pope John Paul said the superpowers could not abandon their responsibility for solving *regional conflicts*, especially in Africa, because of turmoil in eastern Europe.

China frees prisoner

One of China's most prominent political prisoners, Liu Qing, who was active in the democracy movement of the late 1970s, has been freed from jail *after serving a 10-year sentence.*

Singapore unmoved

A Singapore court rejected an *application* by an alleged leader of an alleged Marxist anti-government plot for release from detention without trial, court officials said.

Quark inventor dies

Indian-born physicist Mirza Abdul Baqi Beg, whose theoretical work helped establish the quark model used to describe the basic structure of matter, died at the age of 55.

Avalanches in Alps

Avalanches in the French Alps have killed at least four people in recent days as skiers starved of snow for two months took chances on unstable snowfields.

Business Summary

Aritmos takes 49% holding in Puma of W Germany

PUMA, the troubled West German sporting goods concern, is changing hands again – less than a year after it was purchased by Cosa Liebermann Holding, a Swiss-run trading *company which operates out* of Hong Kong.

Aritmos, Sweden's leading sports equipment company, said it had bought 49 per cent of Puma's voting shares from Cosa Liebermann for SKr335m ($55m), with an option for a complete takeover next year. Page 15

RON BRIERLEY, the New Zealand businessman, emerged as the potential buyer of GPG, the trouble-prone UK financial *services group, with an offer* valuing it at £55m ($90m). Page 15

PINNACLE West Capital, the embattled Arizona holding company, rescheduled $650m of debt hours after MeraBank, *its insolvent savings and loans* subsidiary, was seized by federal regulators. Page 17

ARIANESPACE, the European spacecraft consortium, which launches more than half the world's commercial satellites increased *its capital* by FFr1.06bn ($181m) in funding and diversification. Page 16

NISSAN Motor is considering exporting cars from its UK assembly plant to Japan, the first such move by a Japanese vehicle maker. Page 14

CHUBB, the US casualty and property insurance company, reported strong earnings for *the year in spite of catastrophe* losses after the Californian earthquake. Page 17

BANK OF JAPAN'S, governor Yasushi Mieno, stated his *determination* to curb the threat of a resurgence in land prices. Page 14

MITSUBISHI Corporation, the Japanese trading house, celebrated the approval of its proposed leveraged buy-out of Aristech Chemical of the US. Page 17

ALAN BOND, the Perth entrepreneur, has received a demand from National Australia Bank for immediate repayment of a A$385m ($296m) facility from Bond Media. Page 18

BANK OF MONTREAL is suing Robert Campeau, head of the troubled Campeau Corpora*tion, for defaulting* on a $21.2m personal loan. Page 17

BRITISH ISLAND AIRWAYS, the loss-making charter airline, has called in the receiver. Page 6

HILTON HOTELS, the big Beverly Hills-based hotel and gaming company, said it was putting off a decision on any of the takeover and restructuring proposals. Page 17

INDUSTRIAL BANK of Monaco, the small bank whose problems forced the French banking supervisory body to intervene in its operations on Monday, has applied to a court to suspend business. Page 19

POLAND'S inflation grew much faster than predicted last month, with the result that real wages will be cut by an unprecedented 30 per cent in an attempt to stay within IMF targets. Page 2

NIGEL LAWSON, the UK's former chancellor of exchequer, is be a non executive director of Barclays Bank PLC and Barclays PLC, its holding company, and an advisor within the group. Page 6

HACHETTE, the French publishing group, has put its newspaper distribution centre, in the heart of Paris, up for sale, *in one of France's biggest* real estate transactions. Page 16

EXPORT *CREDITS Guarantee* Department, the UK state export insurance body, posted an unprecedented £441m ($728m) trading loss in its last financial year, five times more than the previous year's short*fall*. Page 5

Kohl rejects Modrow plan of neutral united Germany

By Leslie Colitt in East Berlin

MR HELMUT KOHL, the West German Chancellor, last night rejected an East German proposal for a united but neutral German state and said he would negotiate unity only after East Germany's free elections on March 18.

Mr Kohl was responding to a four-step plan outlined by Mr *Hans* Modrow, the *East* German Prime Minister, under which East and West Germany would "overcome" their division and unite in a militarily neutral *state with Berlin as the* capital.

The Chancellor said the plan contradicted the concept of pan-European unity that Mr *Modrow claimed* to support. "I strictly reject the concept of German neutrality," he said.

The startling proposal for "one united Fatherland" was presented by Mr Modrow a day after his talks in Moscow with Mr Mikhail Gorbachev, the Soviet leader. In a proposal clearly endorsed by Moscow, Mr Modrow told a news conference in East Berlin that "the unification of the two German states is on the agenda."

East Germany's initiative places the western allies in a quandary by stipulating that a prerequisite for unification would be the "military neutrality" of Germany. This was explicitly ruled out in the past by the allies who, under a 1954 treaty with the Soviet Union, retain a legal say in any unification of Germany.

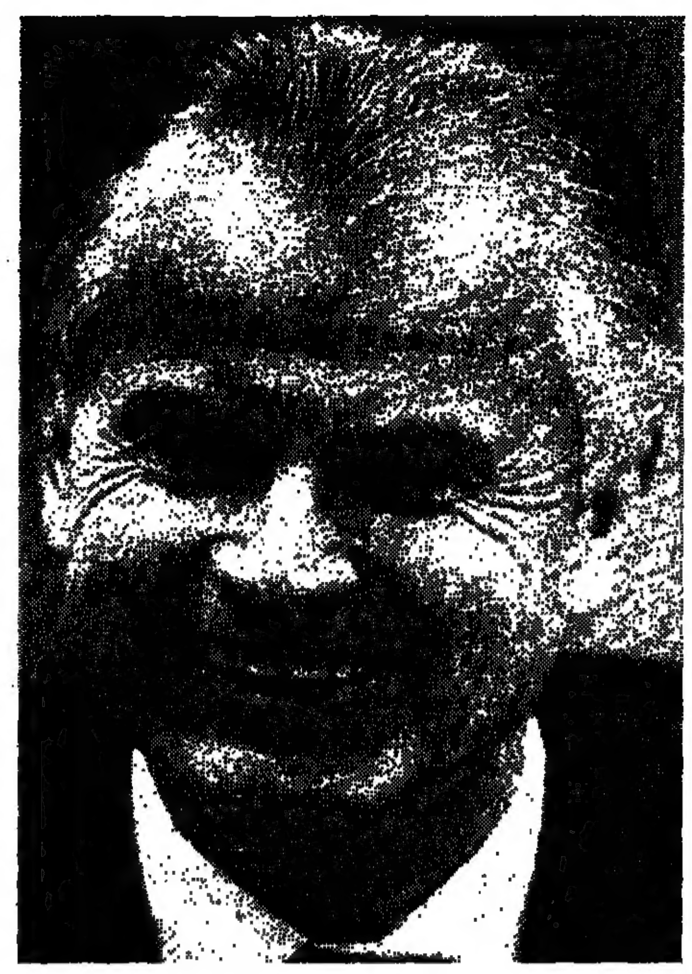
Mr Modrow outlined four "possible" steps leading to a united Germany:

- The two German states *should create an economic*, currency and transport union and join their legal systems.
- A confederation should be established with joint institu*tions such as parliamentary* commissions, regional assemblies and joint executive bodies.
- Sovereign rights of both *states would be handed over to* the authorities of the confederation.
- A "unified German state" in the form of a German federation would be created through elections in both parts of the confederation. A parliament would be convened to decide on a constitution and a "unified *government* with its seat in Berlin."

Mr Modrow said the "interests and rights" of the four Second World War allies and *all other European countries* would have to be taken into account. Another precondition was the military neutrality of East and West Germany "on *the way to federation*."

As Mr Kohl's reaction indicates, this is certain to be the most controversial part of the plan. The western allies – the US, Britain and *France* – in

Continued on Page 14
Unity aspirations serious, Bid to stem immigration, Page 2



Key Soviet unions threaten to strike over prices

By Mark Nicholson in Moscow

SOVIET workers in a range of *crucial industries, including* steel, chemicals and cement, are threatening to strike unless the Government immediately cancels recent price rises for diesel, electricity and transport.

This represents the most serious threat of industrial unrest since the coal miners' *strike paralysed most of the* mining industry last summer. It also indicates the depth of popular resentment at any hint of price rises in the *heavily subsidised Soviet system.*

The All Union Central Council of Trade Unions, the official Soviet labour organisation, wrote this week to the Council of Ministers, which decreed the price rises from January 1, warning of "social tension" and bankruptcies unless the resolution was annulled.

A special commission of the union formed this week to address the prices issue was meeting last night to discuss setting up a *strike committee* immediately.

In its letter to the Government, the commission said that if the Council of Ministers did not act at once on prices, many enterprises "will be forced to use the law of the USSR on the procedure for resolving labour conflicts" – the phrase used for strikes. It gave the Government until *Monday to reply, the day of* the Communist Party's Central Committee plenary meeting.

The power and transport price increases affect whole*sale prices paid by state enter*prises, and cannot be passed on in the form of higher retail prices.

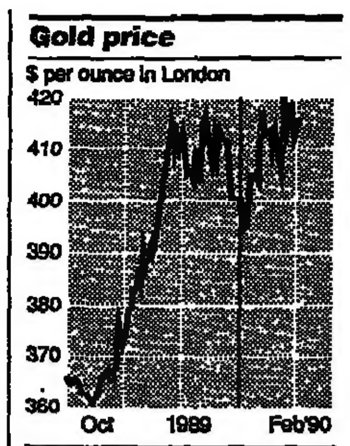
The unions complain that forcing enterprises to bear the cost of the rises out of their own funds will lead to widespread bankruptcy, sharply reduced profits and corresponding wage cuts for the workers.

Trud, the union newspaper, reported yesterday that trade union councils had been beseiged by delegations and deluged by letters opposing the price rises from workers in the timber, metal, chemical and cement industries.

Trud claimed that 42 of the country's 73 cement factories *faced big losses or outright* bankruptcy.

Rabochaya Tribuna, the Communist Party labour newspaper yesterday reported a

Continued on Page 14



US plan to sell IMF gold hits opposition

By Stephen Fidler *in London*

A US PLAN to sell International Monetary Fund gold to tackle growing repay*ment arrears to the IMF has* hit strong opposition from western governments.

Differences over the plan are likely further to delay long-*running negotiations on an* expansion of the IMF's resources.

Western government officials said the plan was pres*ented to the IMF* executive board this week after previous discussions among the Group of Seven leading industrial nations. Opposition is led by West Germany and Italy, although it seems to be drawing cautious support from France.

Eleven debtor countries, including Peru, Vietnam and Nicaragua, have arrears totalling more than $3.7bn. They face two main sanctions: they cease to be eligible for new IMF loans - which means that most foreign creditors will not *lend to them* - and, *in extreme* cases, they could be expelled.

The US plan involves setting up a pool of resources of up to $2bn which would be financed *in two ways. Up to 3m ounces* of the 103m ounces of gold held by the IMF could be sold.

Up to 1975, when any country joined the IMF, gold had to be deposited with the fund. The US idea is that the gold put in by the countries in arrears - amounting to about 3m ounces - could be sold. The gold is valued at the IMF at about $46 an ounce, compared with yesterday's open market price of $416 an ounce.

The second part of the pool would be financed by borrowers paying slightly more to the IMF, and lenders receiving somewhat less.

The pool would offset some of the arrears and generate

Continued on Page 14
Commodities, Page 24

Moscow welcomes Bush troop plan

By Quentin Peel in *Moscow* and **Peter Riddell** and **Lionel Barber** in Washington

THE Soviet Union yesterday welcomed the proposals by President George Bush to cut troop levels in central and eastern Europe, as a step towards "*removing foreign troops* from foreign soil."

The US plan, announced late on Wednesday, suggests a ceiling for US and Soviet forces in *central Europe of 195,000 on* each side, compared with the 275,000 level under the proposal being discussed in the Vienna conventional arms talks.

The Bush Administration decided to propose the deeper cuts because of rapid political changes in eastern Europe and the calls by these countries for an early withdrawal of Soviet troops. US officials also believe that Moscow's current political problems provide an opening for rapid progress on arms control.

Mr Gennady Gerasimov, the Soviet Foreign Ministry spokesman, told an official briefing that: "The proposals merit careful examination."

However, he pointed out that *the 195,000 figure proposed by* the US did not include 30,000 troops that would be kept in Britain and other countries away from the central front *region*.

He criticised Mr Bush for his references to the failure of communism in eastern Europe: "His attempt to portray developments (in eastern Europe) as the triumph of US ideals over a defunct communist system invoked the strategy of the Cold War."

The Soviet spokesman confirmed that Mr Bush had briefed Mr Mikhail Gorbachev, the Soviet leader, on the contents *of his State of the Union* address, in a telephone call on Wednesday.

He said the US proposals would have to be tabled in the Vienna conventional arms negotiations, although there could be some delay while they were co-ordinated with the *other Nato* allies.

In Washington, Mr Dick Cheney, the US Defence Secretary predicted that the Soviet Union would have withdrawn its troops *from eastern Europe* by the middle of the decade. However, he warned against any drastic changes in Nato strategy.

Mr Bush's proposals were well-received by both Republican and Democrats in Congress.

US officials have constructed the package to take account of concern among European allies, notably Britain, about the dangers of too rapid a reduction.

The White House has stressed that the new ceilings reflect "the *minimum level of* US forces needed in Europe to protect American interests and to sustain Nato's strategy of forward defence and flexible response.

Even if, as we expect, Soviet forces in this region are reduced even further, the US does not envisage the further reduction of its forces in *Europe below this new level*."

The proposals were generally welcomed throughout Europe.

In West Germany, where most of the US troops are deployed, Mr Hans-Dietrich Genscher, the Foreign Minister, said Mr Bush's proposal was "an important step forward."

In Brussels, Mr Manfred Wörner, secretary-general of Nato said that the European allies offered their "broad support in principle."

Further reports, Page 3; Moscow calls for Asia-Pacific *naval cuts*, Page 4

UK to underwrite consortium in building Eurofighter radar

By David White, *Defence Correspondent, in London*

THE BRITISH Government has agreed to underwrite a consortium led by Ferranti Defence *Systems to the tune of DM200m* ($118.8m) to satisfy West German concern about financial risk in building the radar for the European Fighter Aircraft.

The agreement to indemnify West Germany up to this amount in the event of the Ferranti-designed radar failing to meet its targets was the key to last week's preliminary deal ending a two-year deadlock between the two countries.

A communiqué after last month's meeting between Mr Tom King, UK Defence Secretary, and Mr Gerhard Stoltenberg, his West German counterpart, said "significant progress" was made on the radar dispute but gave no details.

Ferranti International announced afterwards that it was planning to sell its Edinburgh-based Defence Systems division, which includes its airborne radar operations, to the General Electric Company for £310m ($520m).

A ministerial announcement is expected in the next few days confirming agreement between the four EFA countries to fund development work by the Ferranti-led consortium, a contract expected to be worth more than £300m. The radar is expected to bring more than £1bn worth of work if the EFA goes into production.

The Ferranti unit's share of the work will be a third. Its partners in the consortium are Siemens of West Germany, Fiar of Italy and Inisel of Spain.

The contract will formally be awarded by Eurofighter, the Munich-based industrial consortium developing the aircraft. But the radar has long been a political issue between the two governments. Bonn officials say the delay in resolving it has contributed to opposition in West Germany against the £22bn EFA project.

The British Government's long-standing refusal to provide a unilateral state-backed guarantee was the main obstacle in the way of obtaining Bonn's agreement. West Germany was *supporting the alter*native of an upgraded version of the Hughes APG-65, a US radar which the Daimler-Benz subsidiary Telefunken System Technik produces under licence.

Following the emergence last year of a financial crisis at Ferranti, which has alleged a £215m fraud in connection with its takeover of International Signal and Control of the US, Bonn also sought UK government undertakings as to Ferranti's future.

Mr King was able to provide this undertaking in the knowledge of the planned purchase by GEC and at the same time gave in on the demand for a financial guarantee. However, Britain refused to provide a "blank cheque" to cover cost overruns, setting DM200m as the upper limit of its liability.

The UK Government is believed to have agreed to the concession after estimates that development of separate British-led and German-led radars would cost the UK twice as much as it is now guaranteeing.

Ferranti broke ban, Page 4

CONTENTS

Indonesian villages bank on reforms to farm economy

Following the initiative on rural co-operatives by President Suharto (left) the governor of the Bank of Indonesia has unveiled new reforms for the village *economy where more* than half the nation's population live.

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MARKETS

STERLING
New York lunchtime: $1.68475
London: $1.6825 (1.6800)
DM2.8275 (2.8350)
FFr9.6025 (9.6275)
SFr2.5200 (2.5250)
Y243.75 (242.75)
£ Index 89.1 (89.0)

GOLD
New York: Comex Apr $423.3 (412.4)
London: $416.25 (412.75)

N SEA OIL *(Argus)*
Brent 15-day Mar $19.90 (19.825)

Chief price changes yesterday: Page 15

DOLLAR
New York lunchtime:
DM1.67625
FFr5.6995
SFr1.4945
Y144.975
London:
DM1.6800 (1.6870)
FFr5.7075 (5.7300)
SFr1.4975 (1.5035)
Y144.85 (144.55)
$ Index 67.0 (67.0)
Tokyo close: 144.50

US Lunchtime Rates
Fed Funds $8\frac{3}{16}$%
3-mo Treasury Bills: yield: 8.004%
Long Bond: $96\frac{7}{16}$ yield: 8.448%

STOCK INDICES
FT-SE 100: 2,345.8 (+8.5)
FT Ordinary: 1,866.0 (+2.0)
FT-A All-Share: 1,170.77 (+0.3%)
New York lunchtime: DJ Ind. Av. 2,593.02 (+2.48)
S&P Comp 329.17 (+0.09)
Tokyo: Nikkei 37,206.42 (+17.47)

LONDON MONEY
3-month Interbank: closing $15\frac{1}{16}$ ($15\frac{1}{16}$)
Liffe long gilt future: Mar $87\frac{31}{32}$ ($87\frac{31}{32}$)

EUROPEAN NEWS

Take German unity seriously, Allies warned

By David Marsh in West Berlin

THE US, Britain and France were yesterday given a solemn warning by leading West Germans to take seriously German aspirations on unity or risk sparking serious resentment against the Western Allies.

The warning was given added urgency by yesterday's revelation in East Berlin that the Soviet Union is making military neutrality of the two German states a condition for German unity.

At a conference on the future of Germany, Professor Dieter Mahncke, deputy head of planning staff at the Bonn Defence Ministry, said reunification had to take place on the basis of solid links with the European Community and Nato.

Pointing out the tendency of Britain and France to mistrust West Germany's attachment to the West, he asked of the Allies: "What have they learnt from the past? They should not repeat the failures of the 1930s."

Mr Mahncke, who was speaking before the news from East Berlin broke, pointed to the danger that the people of East and West Germany might decide that unity was preferable to continued membership of Nato and the Warsaw Pact. "We have to avoid this choice coming about," he said.

In another comment underlining the pressures for unity building up before the East German elections on March 18, Mr Ottfried Hennig, state secretary in the West German Ministry for Inner German Relations, also criticised the Allies' stance on reunification. "Foreign governments cannot for 40 years support human rights, freedom and self-determination for Eastern Europe, and then, when the process starts, put their worries about it into the foreground," he said. "That is not consistent."

Mr Heinz Ruhnau, the chairman of Lufthansa, told the conference – organised by the West German Springer newspaper group – that he was growing increasingly irritated about fears abroad of the economic might of a unified Germany. "It is the same whether we are 60m or 76m (people)," he said.

Mr Ruhnau, an outspoken critic of Allied control of air routes to Berlin, said West Germany's partners should be careful not to push Germany into a corner as in the 1920s and 1930s.

"Not only the Germans murdered the Weimar Republic," he said, adding that Germany's first experiment in democracy failed partly because foreign politicians declined to support German moderates in the 1920s.

The Bonn government's view as set out by Mr Hans-Dietrich Genscher, the foreign minister, on Wednesday, is that a reunified Germany should remain part of Nato but that the area taken up by East Germany could be demilitarised.

Mr Pierre Lellouche, a leading French foreign policy expert, said a "strategic vacuum" in the middle of Europe would encourage dangerous forces of neutralism across the continent.

E German plea for cash to help stem immigration

By Andrew Fisher in Dresden

EAST GERMANS will continue to leave for West Germany unless foreign capital flows in quickly enough to help revive the economy and improve living standards, according to Mr Wolfgang Berghofer, the mayor of Dresden, who recently left the Communist party.

"If capital doesn't come to us, then our people will go to the capital," he said. East Germans have continued crossing into the West at the rate of up to 3,000 a day. The mayor was speaking at a dinner to mark the opening of offices by Dresdner Bank, West Germany's second largest bank, in Dresden – where it was founded 118 years ago – and other East German cities.

Mr Wolfgang Röller, the bank's chief executive, said the transfer of Western capital, technology, and management and marketing knowhow to East Germany was urgently necessary. "The quicker this transfer is made, the more successful will be the reshaping of the economy and the resulting improvements for the people."

Dresden's mayor, whom local businessmen and officials believe could play an important role in the newly volatile East German political scene, said the opening of an office by Dresdner Bank in the city had a significance "way beyond" the merely regional.

Brussels urges wider links with East bloc

By Lucy Kellaway in Brussels

FUTURE relations between the European Community and Eastern Europe should be broadened to include political, trade, financial and technical matters, but should not for the time being address the issue of EC membership, the European Commission said yesterday.

Its views on the evolution of relations with East Europe – which, although lacking in detail, constitute its clearest policy statement so far – will be presented to member states at Monday's foreign ministers's meeting.

The paper follows an impassioned speech to the European Parliament by Mr Jaques Delors, the Commission president, calling for "new forms of co-operation with Eastern Europe," and raising the question of East German membership of the EC.

The Commission will suggest five firm conditions for the granting of aid to East European countries.

These are a respect both for the law and for basic human rights, the establishment of a multi-party system, the holding of elections before the end of this year, and movement towards a market economy.

The type of association agreements envisaged with Eastern Europe would be similar to those being negotiated between the EC and the European Free Trade Association.

The areas covered would include the liberalisation of trade, technical assistance and financial support, joint projects for building East Europe's infrastructure, and a political dialogue of unspecified nature.

The relationship should involve considerable flexibility to be fine-tuned to suit the different needs of individual countries, the Commission said.

It also said there was a need for new types of aid for East Europe, which would include export credit and investment promotion.

Necessary changes to the Community budget would also have to be made.

The Commission will receive requests for aid later this month from East Germany, Bulgaria, Czechoslovakia, Romania and Yugoslavia, containing a progress report of reforms on the five areas.

It said this would be taken into account in the granting of aid.

Belgrade offers an olive branch to Kosovo

By Judy Dempsey in Belgrade

YUGOSLAVIA'S Prime Minister, Mr Ante Markovic, yesterday called for a "dialogue with forces in Kosovo on the condition that they agree to maintain the integrity of the country and the implementation of the economic and social reforms." The Prime Minister announced measures to try to reduce the tension and restore stability to the region and the country as a whole.

Unrest continued yesterday in the southern province of Kosovo where the federal authorities say 19 people have been killed over the past 10 days in clashes between the ethnic Albanian majority and the police.

Mr Markovic's statement is the strongest to date by the federal Government, now the only united and respected institution in the country, that it is prepared to solve the Kosovo issue not on the streets but through political institutions and dialogue.

"Any activity outside the legal institutions of the system should be avoided," Mr Markovic said, adding that meetings, strikes and demonstrations in other parts of the country . . . do not contribute towards solving the problems."

This was a clear reference to recent nationalist demonstrations in Serbia in which thousands of Serbs vowed to march to Kosovo to protect the Serb and Montenegrin minorities against alleged intimidation by the ethnic Albanian majority.

Mr Markovic said that the Government would send the Federal Secretary of Information to the province "because the public is not fully informed of events in Kosovo."

Close aides said yesterday that any chance of a dialogue with the ethnic Albanians, the federal authorities and the Serbian authorities required an end to the "bitter, racist and provocative war of words between all the republics."

During a meeting earlier in the week of the State Presidency, whose members include the presidents of the republics and provinces, Mr Slobodan Milosevic, the ambitious and nationalist President of Serbia, proposed sending in the army.

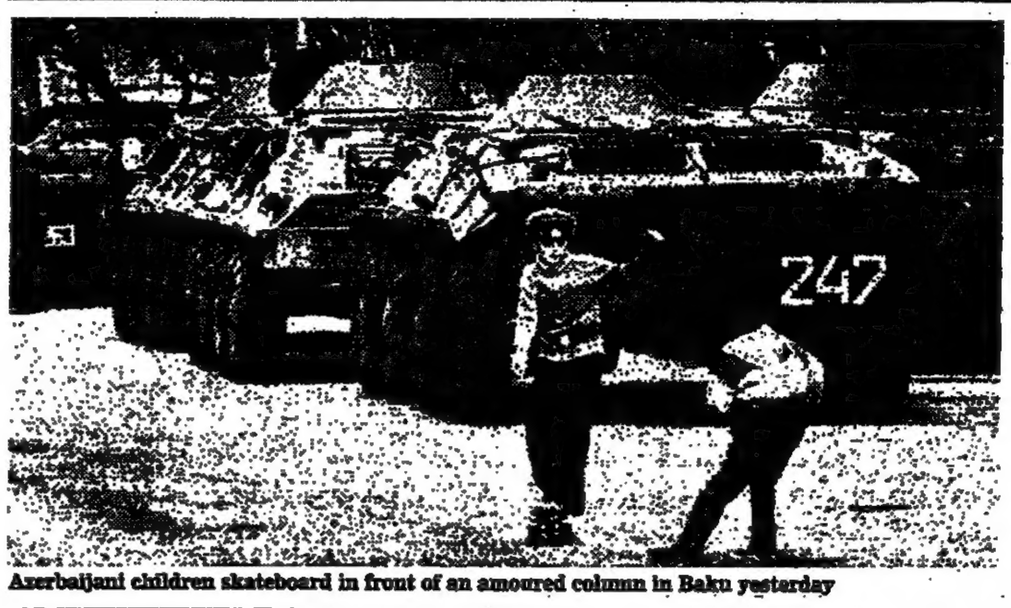
Slovenia, Croatia, Macedonia and Bosnia-Hercegovina rejected this, while the pro-Milosevic leaderships in Vojvodina, Kosovo and Macedonia sided with Serbia. The split vote represented a second defeat within a fortnight for Mr Milosevic. Last month, the extraordinary party congress, for which he had personally campaigned, ended in disarray after the delegation from Slovenia walked out.

In addition, talks continue between the new independent political groups in Kosovo and Mr Janez Drnovsek, the President of Yugoslavia, a further indication that the state bodies are prepared to recognise the legitimacy of some of these recently-formed groups.

Yesterday, the Kosovo-based Committee for the Protection of Human Rights met Mr Drnovsek in Belgrade. The committee is demanding free elections, respect for human rights for all the ethnic groups in Kosovo and an end to emergency measures.

Serbia imposed a state of emergency in Kosovo last March following bitter clashes between the police and ethnic Albanians demanding a restoration of their autonomy. This had been removed after Mr Milosevic pushed through sweeping amendments to Serbia's constitution which gave the republic direct control over the province.

Opposition to a dialogue between moderate ethnic Albanian groups and the federal authorities remains fierce among sections of the Serb minority. Yesterday Jedinstvo, Kosovo's Serbian language daily, rejected any such dialogue. "This is obviously aimed at escaping responsibility for the recent bloodshed," the paper wrote.



Azerbaijani children skateboard in front of an amoured column in Baku yesterday

Soviet troops could quit Baku 'in two weeks'

THE military commander of Baku, the Azerbaijani capital, yesterday predicted that thousands of troops who entered the city last month after ethnic pogroms and a collapse of Communist power could be withdrawn in two weeks, Reuter reports from Baku.

Lt-General Vladimir Dubinyak told a news conference, attended by the first foreign reporters allowed into the Azerbaijani capital for almost a month, that there was little sign of continued organised resistance to the army.

Representatives of the radical Azerbaijan Popular Front were sceptical about his remarks and one said he believed the soldiers would remain until elections could be held in the southern republic.

Quentin Peel adds from Moscow: Journalists in Azerbaijan said last night that the military commanders in Baku openly admitted that their intervention on January 19 was a response to a direct threat to Soviet power, and not to protect Armenians.

Meanwhile in the Soviet republic of Moldavia, bordering Romania, the authorities have imposed a six-month ban on any political action which might cause inter-ethnic strife.

There has been tension between the Moldavian- and Russian-speaking people.

Poland's rate of inflation gathers pace

By Christopher Bobinski in Warsaw

INFLATION in Poland grew much faster than predicted last month, with the result that real wages will be cut by an unprecedented 30 per cent as the Government seeks to stay within the income targets approved by the International Monetary Fund.

At the same time the National Bank has eased Poland's credit squeeze by fixing its basic interest rate for February at 20 per cent, thus failing to match the expected inflation rate for the second month running.

The basic rate in January was set at 36 per cent after the Poles promised the IMF in a letter of intent signed last December that rates in the first quarter would outstrip inflation over the period.

Preliminary figures for January show prices growing by some 70 per cent compared with the previous month. The Government had predicted a 45 per cent increase, which was to have been compensated for by no more than a 15 per cent rise in incomes.

Finance officials led by Mr Leszek Balcerowicz, the deputy premier, have, however, rejected pleas by the Labour Ministry for an easing of wage controls which would allow real wages to fall by no more than the 21 per cent originally envisaged.

The left-wing OPZZ unions are urging the Government to limit the fall in real wages to no more than 25 per cent in January.

The Ministry of Finance is arguing against concessions on incomes, after having recently given way to demands by farmers for preferential interest rates on loans following the slump in sales of fertilisers and pesticides last month when chemical factories such as Pulawy and Police were forced to cut their output by half.

● The European Community told Poland yesterday that it will donate wheat to help it through the winter but wants Warsaw to get its own food supplies flowing soon, Reuter adds from Brussels.

"We are ready to deliver cereals at short notice, but Poland must modernise to support itself," an EC spokesman said after talks between EC trade commissioner Frans Andriessen and Polish minister Witold Trzeciakowski, who is co-ordinating international aid for the country.

Poles are eating more bread this winter because meat prices have soared. The Polish delegation told the 12-nation community that breadmaking wheat was its most urgent food need.

The EC will send 300,000 tonnes of wheat in February and a further 300,000 tonnes later, the spokesman said. That is on top of 500,000 tonnes sent since September 1989.

New chief appointed for Rai

By John Wyles in Rome

THE TOP management job in the Rai, the Italian public radio and television networks, and one of the hottest political seats in Italy has passed from an adherent of the Christian Democrat (DC) left to Mr Giovanni Pasquarelli, a figure more representative of the party's current ruling majority.

A trained economist and former journalist who once edited the DC newspaper, Il Popolo, the 61-year-old director general is a classic example of the breed of political manager who has thrived in post-war Christian Democrat-dominated Italy.

He is no stranger to the Rai, having worked there for nine years until 1986. His last post being deputy-director general. This was followed by a complete change as managing director of the public company which runs Italy's *autostrade* network. His important contribution there is said to have been a number of initiatives – such as enlarging the number of picnic spots – to make them more "user friendly."

Despite having a lien on the director general's job, the DC has been forced over the past 15 years to open up the Rai to other political parties, to the extent that its president is a Socialist, Mr Enrico Manca, and two of its three news and current affairs departments are controlled by the Socialist and Communist parties.

The politicians have this week strengthened their grip by setting up a president's committee at the Rai, populated by representatives from all the political parties.

Mr Pasquarelli's predecessor, Mr Biagio Agnes, took his farewell of the board yesterday lamenting the difficult circumstances in which the company has to operate, constrained as it is by a legal limit on its share of advertising revenues and licence fee income which has declined in real terms. Last year's operating loss is expected to be around L170bn (£81m) while debts have now reached L980bn.

Mr Agnes resigned after seven years before he was pushed following the DC left's loss of its majority in the party last February. He is tipped to head Stet, the public telecommunications holding company.

Romanians play down power-sharing offer

THE all-powerful provisional National Salvation Front, Romania's leading body yesterday proposed the creation of a "mini-parliament" with veto power over the NSF ruling council until elections are held on May 20, AP reports from Bucharest.

But initial reaction to the proposal from the opposition was sceptical. "They're not going to share power with me," said Mr Mihail Balasescu, vice president of the newly formed Progressive Party. "No one in history wants to leave power. They just want to have discussions."

The 11-member council is the ruling arm of the NSF, which took power in the vacuum after the December revolution which toppled the dictatorship of Nicolae Ceausescu.

The proposal was made at a roundtable conference which the NSF said was aimed at giving a governmental role to the opposition. The Front said the "mini-parliament" would be composed of three members from each of the 28 opposition parties but gave no time frame for its establishment. Also discussed during the six-hour meeting was the need for more technocrats in the NSF.

Lawyer's murder revives extremism fears in Turkey

By Jim Bodgener in Ankara

TURKISH FEARS of a return to the extremist violence that led to the 1980 military coup have been stoked by the murder on Wednesday night in Ankara of Mr Muammer Aksoy, head of the Turkish Law Association.

Responsibility for the assassination was claimed by the hitherto unknown "Islamic Revenge Movement," and has been condemned by leaders across the political spectrum, including President Turgut Ozal.

"Nobody knows what will happen next in Turkey. It's a shadowy situation," said Mr Ugur Mumcu, a respected columnist for the left-leaning daily newspaper Cumhuriyet.

Mr Aksoy's murder was a reminder of the "terror atmosphere of the 1970s," said Professor Erdal Inonu, leader of the main opposition Social Democratic Populist Party. However, other newspaper columnists and diplomats said the situation was not yet that critical.

Some commentators pointed out that yesterday was the anniversary of the slaying in 1979 of Mr Abdi Ipekci, editor and columnist of the daily Milliyet, which for many Turks epitomised the slide into anarchy.

The Islamic Revenge Movement said Mr Aksoy was killed because he opposed the wearing of Islamic attire. He was a strong proponent of Kemalism, the peculiarly Turkish and staunchly secular republican tradition laid down by the great nationalist leader Mustafa Kemal Ataturk in the 1920s and 1930s.

While the Government's popularity in opinion polls has slumped because of failure to curb an inflation rate of around 70 per cent, extremist agitation has resurrected painful memories from the late 1970s of around 20 deaths daily from running gun-battles in the streets between extremists of left and right inflamed by religious disagreements.

In the past week there have been a botched bomb attack on the Istanbul stock exchange, and the shooting in Istanbul of a policeman shown in newspapers pointing a pistol during illegal May Day demonstrations last year. The latter was claimed by the extreme left-wing Dev-Sol organisation.

Stirring the ferment have been ultra right-wing nationalist protests against the suppression of Azeri kith and kin in Soviet Azerbaijan. But Mr Aksoy's murder was condemned yesterday by Mr Alpaslan Turkes, leader of the far right Nationalist Work Party, who blamed it on enemies of Turkey.

● Torture is still systematically practised in Turkey by security forces, according to the chairman of the Ankara branch of the Turkish Human Rights Association, Mr Muzaffer Ilhan Erdost. Speaking yesterday, on the first anniversary of the coming into force in Turkey of the European Convention against Torture, he cited detailed evidence of 37 alleged cases of torture, 10 of them women, in police custody in the capital last year.

France gets tough on immigration but struggles with the European dilemma

Jennifer Monaghan reports on problems posed by open borders

IMMIGRATION is the most important source of conflict in France, according to Prime Minister Michel Rocard. His assessment is proving all too accurate, not just for France but for Europe too.

In France, immigration has been in the headlines since the autumn. The spark was the *affaire des foulards*, launched when a headmaster precipitated a collision between Islam and secular state education by banning three Moslem girls from attending classes in their headscarves. The affair still rumbles on.

The perceived menace to the principle of *laïcité* (hard-won against 19th century Catholicism) is just one aspect of a diffuse sense of threat. Islam is the second religion of France, yet neither the French state nor the French people have discovered how to live with it.

In a country used to legalistic, cut-and-dried solutions, the diverse and often divided face of Islam provides no representative interlocutors. The fundamentalist minority, quick to take to the streets, reinforces French popular perceptions.

The headscarf affair coincided with new statistics revealing that primary immigration, far from halting, had increased substantially. Asylum-seekers in particular have doubled since last year to 80,000. The vast majority are refused, but processing takes years. Applicants thus become settlers and stay on as as "official clandestines."

This presented Mr Jean-Marie Le Pen of the National Front with a rich lode and he mined it well in by-elections in November. The coalition of the less extreme right has taken notice, though without going so far as to steal Mr Le Pen's blatant racism.

So has the Government, in a much tougher tone on the question of immigration, although its line remains essentially the same: illegal immigrants out, legal settlers welcome and deserving every assistance. The flurry of activity since the by-elections is simply a reinforcement of the existing policy – if policy it be. From both right and left, the Government has come under fire for having no clear line, for having allowed the immigrant problem to drift and, as a result, for being caught on the hop by the recent elections.

The socialists have seen a widening divide between the parliamentary party and activists of Maghreb origin. The latter, in association with the second-generation lobby, SOS Racisme, have been pressing for a Ministry of Integration targeted specifically at immigrants and their children. Mr Harlem Désir, the SOS leader, was tipped to have a prominent role. The Government instead came down in favour of creating a ministerial committee under a close associate of Mr Rocard. The love-affair between SOS and the socialist Government is off. "They'll give us everything, except power," comments one SOS activist.

Mr Rocard's fears about immigration as the major source of conflict are clearly being realised. But it is not yet posing a serious threat to his administration. Public opinion polls indicate that Islam and the National Front are almost equally unpopular. The Government's twin approach on immigration still wins broad approval. The vital question is how to achieve it.

Illegal immigration is the Achilles heel. Short of turning France into a police state with hermetic borders, there is not a great deal to be done on its own. As President François Mitterrand has stressed, the problem is one for Europe.

New arrivals include Yugoslavs (from Italy) and Turks (from West Germany). A fair proportion of the asylum-seekers are from Sri Lanka. Even without insurgencies and wars, the birth rate and poverty of the Third World guarantee migration north. In France the work is there – ill-paid, precarious, dirty and sometimes dangerous, but available.

Immigrant labour in France is part of a clandestine workforce which keeps the wheels going round. The construction industry, including the Channel Tunnel, relies on it; the fashion industry would collapse without it; domestic service would evaporate. The social security cost of declared labour – putting up the wages bill by at least 50 per cent – militates against legality, as do other commitments of secure employment.

The Government has declared that it aims to penalise the employers, not the employed. More work inspectors are being appointed – 450 have previously tried to cover the whole country. Fines have been increased, but the sanction is sparingly used, especially on small companies.

There is room for manoeuvre in tackling the delays in decisions on asylum. This is being done, both by hiring more staff and by exerting diplomatic pressure on other countries to prevent the export of unwanted peoples to France. Known easy-access frontiers, notably with Germany, Belgium and Italy, are to be watched more carefully. The postponed Schengen agreement on free movement between France, West Germany and Benelux thus looks still more remote.

The new arrivals in France, whether legal or illegal, do not make a substantial difference to the overall immigrant figures – about 4m adults and 1m children, out of a total population of 55m. But they make a vast difference to the places where they end up, which tend to be poorer areas which already have problems, especially in housing and education. Many are the target of state-aided programmes aimed at integration, for French as well as immigrant children. More poor families from abroad strain existing programmes, and threaten the second half of the Government's twin policy, namely integration of all legal immigrants.

Meanwhile, one young Muslim has taken to removing her scarf before going to school. She is a French teacher who converted to Islam and always taught in class with her head covered – until the *affaire des foulards*.


THREE GENERATIONS: Immigrants tend to end up in the poorer areas, which already have serious housing and education problems

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THE BUSH PROPOSALS

A presidential punch at the Pact and a pat for the allies

Lionel Barber sums up the White House's multi-faceted move in the military numbers game at the core of Europe

PRESIDENT George Bush's new proposal for deeper cuts in US and Soviet forces in Europe has all the familiar Bush character traits: a boyish delight in surprise and an ability to counter-punch under pressure.

The proposal – the centrepiece of Mr Bush's State of the Union address to Congress on Wednesday night – represents an attempt to seize the inititative when the president looked to be in danger of being overwhelmed by events.

Overseas, calls by the new leaders of Czechoslavakia, Poland and Hungary for the swift removal of Soviet troops from their territory have reinforced the notion that the Warsaw Pact, if not at the point of disintegration, no longer poses the threat that it did a year ago.

At home, the return of Congress this week signalled the start of fresh pressure for US defence spending cuts – driven not just by the changing circumstances in Europe but also by domestic budgetary constraints and the search for a "peace dividend".

Together, these political considerations combined to render out of date Mr Bush's proposal last May to reduce US and Soviet forces to 275,000 troops apiece as part of the current Nato/Warsaw Pact conventional arms talks (CFE) in Vienna.

Last May, that proposal seemed bold, especially since it forced Moscow to accept an assymetrical cut: the US would only have had to reduce its forces by 30,000, but the Soviets would have had to trim by more than 300,000.

The new Bush proposal is carefully structured and tries to strike a balance between exploiting the reduced Warsaw Pact threat while reassuring allies, such as Britain and France, that the US has not pressed the panic button. In sum, it does not mean the president his men intend to bring the boys (and girls) home.

The first aim of the proposal is to address the area of prime tension between Nato and the Warsaw Pact, the "central zone" where the armies of the two alliances confront each other. Under Mr Bush's plan, the US can leave 195,000 troops in the "central zone" of West Germany; the USSR can leave 195,000 troops in the "central zone" of East Germany, Czechoslovakia, and Poland.

The second aim is more subtle. The US would agree to leave 30,000 more troops in other western European countries, leaving a maximum of 225,000 US troops in western Europe compared to only 195,000 Soviet troops in eastern Europe. Thus, the principle of assymetry is preserved. But Mr Bush also wants to resolve Nato's present dilemma: how to avoid having US forces equated with Soviet forces, which would give legitimacy to the Soviet presence in eastern Europe.

The disadvantage of producing new numbers at this stage is that it could disrupt the Nato/Warsaw Pact negotiations at the (CFE) in Vienna. These were proceeding rapidly and, until this week, officials sounded optimistic about an agreement before the end of this year. However, the view among top US officials is that the upheaval in the eastern bloc – coupled with President Mikhail Gorbachev's problems at home – means that Moscow is in a mood to do deals.

Among the Nato allies, the view is a little more circumspect. Officials who recall history note the effort it took Dean Acheson and President Truman to persuade a reluctant Congress to approve large-scale economic and military assistance to western Europe after World War II; now that the Cold War seems to have been won, the fear in some quarters is that this commitment could fade and isolationism could stage a comeback in Congress, with Mr Bush showing little will to resist.

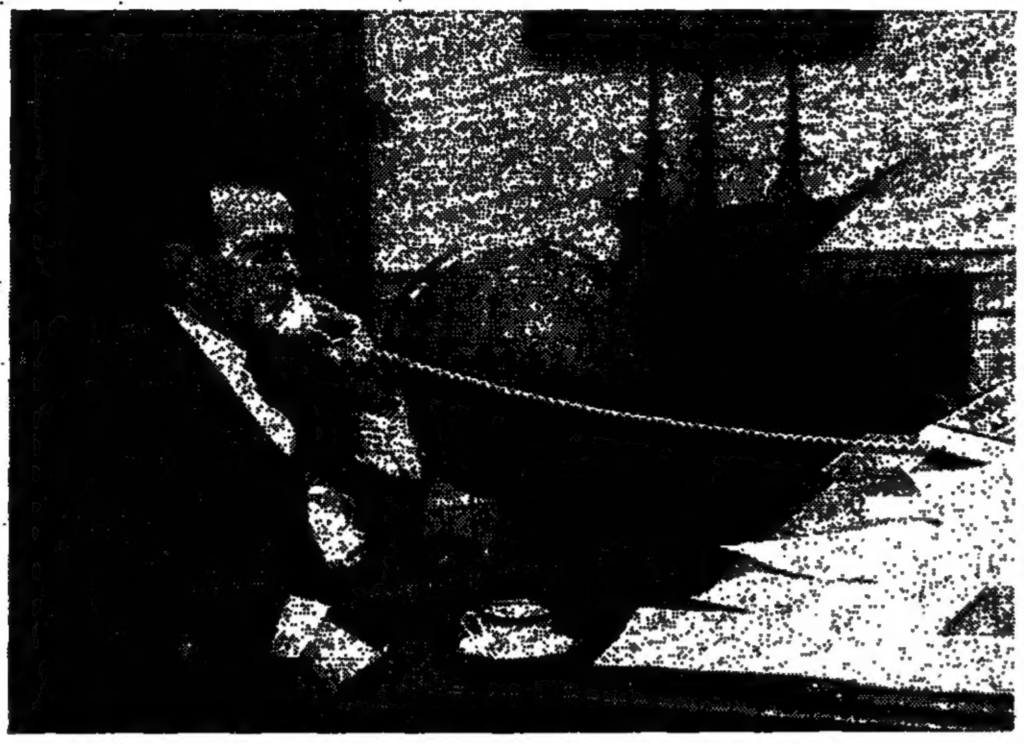
Mr Bush appears to have responded with a pledge that the US will not seek an even lower troop limit once the initial CFE accord has been reached. As the White House stated on Wednesday night, "even if – as we expect – Soviet forces in this region are reduced even further, the United States does not envision the further reduction of its forces in Europe below this new level."

More questionable is the White House assertion that the new Bush proposal reflects the "miniumum level of US forces in Europe to protect US interests and sustain Nato's strategy of forward defence and flexible response." In other words, Nato military strategy is to remain intact, despite the convulsions to the east and despite the new numbers on force levels.

Mr Richard Cheney, US Defence Secretary, offered the same reassuring message on strategy when presenting his $295bn budgetary request to Congress early this week. The problem is that very few people in Congress believe that it holds water.

Senator Sam Nunn, who chairs the Senate Armed Services Committee and is probably the most influential Democrat in Congress on defence issues, argues that, without agreement on a new western strategy, there can be no serious decisions on how to reshape the US military budget. His fear is that, without such an accord, Congress will simply go on a "chopping spree" in search of defence cuts to pay for domestic programmes. Mr Bush's proposed troop cut is an attempt to head off such a stampede. By setting a credible benchmark on US force levels in Europe, the president is building bridges to Mr Nunn.

But the President – who is often accused of lacking vision – seems also to be trying to put a floor under future force cuts in the next round of conventional arms talks – CFE 2. There is little consensus in the administration, the US military or the western alliance on the scope of such negotiations but, as one senior British official, said: "It does not necessarily mean a repeat of lower figures."




George Bush opens a long line to Mikhail Gorbachev, but Senator Sam Nunn (right) will also need convincing about defence cuts

Germans seek to convert weapons

By David Goodhart in Bonn

THE WEST German Government and weapons manufacturers such as Daimler-Benz are beginning to show a serious interest in the possibilities of "arms conversion", converting military products into civilian ones, in the light of the quickening pace of disarmament.

In the short term, disarmament and troop withdrawal will create problems not only for the country's expanded armaments industry but also for those towns and regions which have become heavily dependent on foreign troops.

The 245,000 US troops now stationed in West Germany spend about DM14bn (£5bn) a year and employ 170,000 people. The expected withdrawal of 50,000 troops will leave a dent in both figures.

Rapid disarmament could also knock a dent in the earnings of Daimler-Benz which has just completed its expansion into armaments with the acquisition of MBB and the establishment of a new subsidiary, Deutsche Aerospace.

Mr Christian Poppe of Deutsche Aerospace said yesterday that the company had this month established an arms conversion committee, which would be reporting its findings in about six months. He said that conversion into medical and transport products had the greatest potential. Dornier, part of MBB, recently developed a laser machine for destroying gall stones as a spin-off from a military laser development.

In Bonn, the Economics Ministry has commissioned a report on the armaments industry from the Munich-based IFO economic institute. A chapter will investigate the potential for arms conversion.

A new alliance, for a new Europe

EIGHT months ago, President George Bush volunteered to negotiate a 10 per cent cut in American troops in Europe, down to a common US-Soviet ceiling of 275,000 men. This week, without waiting for the offer to be accepted in the Vienna Conventional Force talks, he has raised it by another 80,000 to bring a new common ceiling of 195,000 men. At this rate, the Atlantic part of the Atlantic Alliance will have disappeared down the plug hole before the rest of us have had a chance to turn round.

It has therefore become rather urgent to think about the Alliance from first principles, before it melts away entirely under the warm glow of détente and disarmament. It is quite evident that the nature and intensity of the threat have changed substantially, and may well change even more radically in future. It follows that the security arrangements of Western Europe must adapt to evolving circumstances. My hunch is that the changes will have to be as radical as the revolution in the East.

I have constructed a chain of questions, which may point to some possible conclusions:

- Do we need to keep Nato alive?
- Do we need to keep an integrated military structure in Nato?
- Can we keep an integrated military structure, and if so, on what conditions?
- Is German unification inevitable?
- If so, do we want a united Germany to be a member of Nato?
- Does that mean East German membership of Nato, and if so, how do we square it with the anxieties of the Soviet Union and other East European countries?
- What is the interaction of the German problem, first on Nato, and second on the European Community?

Nato, Germany and the EC – these are the three magnetic poles in West Europe; naturally, therefore, the sequence increasingly links them together, with the following answers.

- Of course we must try to keep Nato alive. Mr Gorbachev is a charming fellow; perhaps he means well. But who knows what – or who – will come along next?
- We need an integrated military structure, with specific military structures present on the ground, because that is the only (partial) guarantee that the alliance would still be alive on D-Day. A purely political alliance of formal promises runs the risk of betrayal, as Czechoslovakia was in 1938.
- An integrated military structure with continued German participation may only be possible on certain minimalist conditions.

Conversely, any Anglo-American attempt to perpetuate Nato's present structures, doctrines and forces might well succeed in alienate West Germany from the military alliance altogether.

IAN DAVIDSON
ON EUROPE

- Some form of German unity seems inevitable in the fairly near future; and the more Western governments or East Germany try to slow it down, the faster it will be.
- It is extremely important for the West, and paradoxically for the Soviet Union as well, that a united Germany should be a member of Nato. The dangerous alternative is a united Germany, possibly with nuclear capability, on the loose in the centre of Europe.
- Nato membership for a united Germany could only be acceptable in Soviet eyes if the organisation became low-profile, concomitant with a low-level threat. This condition might be satisfied (under paragraph 3), with a level of US ground forces in Germany that was low or even zero, with a much reduced role for land-based nuclear weapons, and with a shift from forward defence strategy with heavy troop concentrations to a strategy of strategic warning and mobilisation.

The US would still be a member of the Alliance and part of the integrated military structure, with air and naval forces in or near Europe; but it would no longer be the dominant or most visible force in the alliance.

- The natural and necessary corollary of a tame Nato would be a strong, more federally-united EC.

A tame Nato, with more remote US forces and reduced nuclear presence, would be a valid counterpart to the reduced Soviet threat; a federally-united EC, through its institutional framework of majority decision-making and the rule of law, would be a compensating guarantee, in civilian terms, that a reunited Germany would not be a disturbing factor in the emerging European constellation.

On both counts the new configuration should be stabilising, and reassuring to the Soviet Union and the countries of Eastern Europe; above all, it would be reassuring because the leading spokesman for Western Europe would be a civilian and not a military power. But this configuration would also have the enormous advantage for the West, in that it might provide the best available chance of keeping the Nato alliance in business.

One power might well be deeply put out by such a minimalist re-writing of Nato's role: the US, which would see a sharp reduction of its military role in the Alliance, and even a downgrading of its political role in Europe.

That is not the ungrateful outcome the US may have bargained for when it came to save us. Still, to paraphrase Joe E. Brown's immortal closing line in Some Like it Hot: "Nothing's perfect."

Address highlights domestic dilemmas

By Peter Riddell, US Editor, in Washington

PRESIDENT George Bush yesterday won widespread praise for the domestic and foreign goals he set in his State of the Union address on Wednesday evening, but was sharply criticised by leading Democrats over his specific proposals.

With his approval rating in the polls nudging 80 per cent, and by character a unifier rather than a divider, Mr Bush did not have to do much to ensure a warm reception on the night from Congress, which he duly received.

The plan to cut troop levels in Europe naturally captured most attention, but it only accounted for one minute of the 35-minute address.

The rest consisted of a broader discussion of his domestic agenda.

Mr Bush spoke in his familiar downbeat way. The occasional theatrical touches reminiscent of the Reagan era, like quoting from a letter written by a soldier killed in Panama, stood out for their rarity. A revealing moment was when he spoke as a grandfather, albeit a still youthful looking one in the amiable, if occasionally bumbling, manner of actor James Stewart.

In some ways Speaker of the House, Mr Tom Foley, appeared more presidential in offering the Democrats' televised reply immediately afterwards. The white-haired Foley was more fluent than Mr Bush – while also being a welcome contrast to his oleagenous predecessor, Mr Jim Wright, who resigned as Speaker eight months ago. Mr Foley set out the Democratic view on education and protecting "the people who go to work and pay the taxes".

Television critic, Tom Shales of the Washington Post, fairly described Mr Bush's address as "your standard, basic, generic presidential speech". He noted that: "Bush's speech and his delivery of it were competent, goodhearted, uninspired and uninspiring, although the blandness didn't discourage the assembled legislators from interrupting it with applause." The loudest ovation from Republicans came when he repeated his campaign promise of "no new taxes".

Yet, both in content and reception, the address reflected Mr Bush's current political dilemma. He is building up an impressive reputation in foreign policy with surprises like the troop cuts. But, domestically, he has much less freedom of manoeuvre. There is, in effect, a stalemate between the executive and the legislature.

The Democrat-run Congress can block any Bush proposals it dislikes, as over capital gains tax last year (but probably not in its modified version this year). Similarly, Mr Bush can veto congressional proposals he dislikes, such as those liberalising abortion laws.

In his speech, Mr Bush repeated the appeal he made in his inaugural address, that the American people had not sent them there to bicker: "Once again I offer my hand to all of you." He called for co-operation on legislation on clean air, child care, educational standards, and on crime and drugs.

In particular, he outlined new national educational goals, including an increase in the percentage of students graduating from high school to at least 90 per cent from the present 72 per cent.

While Mr Bush may now have won some freedom of manoeuvre on defence spending, his overall Budget and domestic plans will face a strong challenge over the coming weeks and months – as has been shown in the rough ride given this week to Mr Richard Darman, the Budget Director, by the Senate and House budget committees.

OTHER AMERICAN NEWS

Brazilian trade surplus 'slipping'

By Ivo Dawnay in Rio de Janeiro

BRAZIL'S first-quarter trade surplus is set to drop to almost half of the equivalent 1989 level, according to an official report by a Planning Ministry think-tank.

The Institute of Economic and Social Planning (Ipea) estimates that exports will exceed imports by just $2.2bn – down from $4.2bn in the equivalent period of 1989. The figures show imports rising by 23 per cent and exports falling by 15 per cent over the three months.

Independent analysts are attributing the downturn to various unrelated factors, with a broad consensus forecasting a year-end surplus of $10bn to $12bn – substantially down on the $16bn recorded last year.

If so, that will influence Brazil's negotiations with foreign creditors on debt servicing, in talks expected to begin soon after President-elect Fernando Collor de Mello takes office on March 15.

Brazil has reserves of some $7.2bn (roughly the value of four months' imports) while unpaid debt interest is expected to have climbed to about $5.5bn by the inauguration.

Behind the declining trade performance lie factors such as the impact of the ending last year of the International Coffee Agreement, which had sustained world market prices and contributed to Brazil's high inflation rate.

Imports have been fuelled by businesses increasing orders from abroad to stock inventory and raw materials, in anticipation of a substantial currency devaluation by the new government.

Survey shows slowdown

By Peter Riddell in Washington

US manufacturing activity declined in January, according to a widely watched guide to the state of the economy.

The National Association of Purchasing Management's business survey shows a sharp drop in the purchasing managers' index to 45.2 last month, from a revised 46.7 in December. This is the ninth consecutive monthly drop.

The figures underline the recent marked slowdown in US economic activity. They do not necessarily mean that a recession is imminent, though they inevitably add to the uncertainty. Administration officials and Federal Reserve governors have both said this week they expect a rebound in the economy later this year.

In detail, the figures show a sharp drop in the production component, down to the lowest level since December 1982, and a big decline also in new orders, with employment falling for the 11th month and the inventories/stocks index at its lowest level since December 1986. But new export orders continued to show relative strength. Construction spending dropped by 0.6 per cent in December, partly as a result of the exceptionally bad weather.

Soviet bloc refugees land on Canada

By Bernard Simon in St John's, Newfoundland

THE EASING of travel restrictions in Eastern Europe has led to a sharp increase in the numbers arriving by air at Gander, Newfoundland, claiming refugee status in Canada. A federal immigration official said yesterday 124 passengers presented themselves as refugees at Gander in January, more than 10 times the number in January 1989. Most were Poles. Others came from Romania, Bulgaria and the Soviet Union.

The refugees all flew in on Aeroflot or Cubana Airlines, which stop to refuel at Gander en route to Havana. The defectors usually make themselves known to Canadian police and customs officials in the international transit lounge and are then taken to immigration officials for their claims to be processed.

Refugees to Canada normally need to prove that they have fled persecution in their home countries. Despite the recent improvement in the political climate in Eastern Europe, most of the recent arrivals are likely to be accepted as refugees by the Canadian authorities.

But, if past experience with Turks, Sri Lankans and Latin Americans is any guide, Ottawa's attitude may harden if the number of claimants increases sharply.

The federal Government agreed this week to increase immigration staff at Gander and St John's, and to set up a permanent refugee board in Newfoundland to handle the eight-month backlog of Eastern European refugee claims.

It is estimated there are now 350 refugees in St John's.

El Salvador steels itself for a rebel siege

Another guerrilla offensive threatens if peace talks are not renewed, says **Tim Coone**

EL SALVADOR could soon experience repeat scenes of last November's all-out guerrilla offensive, if the Government and rebels are unable to agree on renewed peace talks.

February 10 was the deadline suggested by the left-wing FMLN guerrillas for talks between representatives of the rebel group and of President Alfredo Cristiani's right-wing government. The United Nations has agreed to mediate.

President Cristiani has agreed to a meeting but he wants the UN to act as a witness to the talks and not as a mediator. No firm date has yet been fixed, although President Cristiani will be in New York to meet privately with UN representatives this weekend. He has previously insisted that the FMLN should abandon its military struggle before returning to the negotiating table.

The last round of bilateral talks came to an abrupt end following the bombing of a trade union building in the capital, San Salvador, last October.

One of the left's most prominent labour leaders, Ms Febe Elisabeth, was killed in the attack which was widely attributed to a right-wing extremists. The November guerrilla offensive followed.

Mr Roberto Canas, a member of the Diplomatic-Political Commission of the FMLN, told the Financial Times recently: "The offensive was launched to persuade the Government to table serious talks." He said that in the previous round the Government had been stalling, believing the guerrillas to be in decline and with few military prospects.

The offensive dealt a stunning blow to President Cristiani's strategy of taking the war to guerrilla strongholds in the mountainous regions of Morazan and Chaletenango. The guerrillas' reply was to bring the war to the capital. For two weeks they held on to most of its northern and eastern suburbs, as well as parts of several other major cities.

Despite heavy aerial bombardments, Mr Canas says the FMLN suffered only 400 dead – about 3-4 per cent of their committed forces by western intelligence estimates. He says that new recruitment as a result of the spectacular offensive "has replaced our losses. Our military strength is intact." Preparations have also been made to counteract the Government's air superiority "on the ground and in the air," he says.

During the last offensive, an aircraft bringing supplies of surface-to-air missiles from Nicaragua to the guerrillas crashed in El Salvador. Previously, there had been no firm evidence that any missiles had been used in combat. Western military experts believe that the introduction of missiles into the 10-year conflict could break the military stalemate and shift the balance in the guerrillas' favour.

Mr Canas insists, however, that despite FMLN preparations for a new offensive, the guerrillas are ready to negotiate a peace agreement, but one which would have to include substantive reforms of the armed forces and judicial system.

The Government's recent announcement that it discovered within the armed forces the assassins of six Jesuit priests, their housekeeper and her daughter – murdered last November – has neither convinced the Roman Catholic Church nor the FMLN that a genuine house-cleaning is under way. Representatives of both say that the list of accused, which include a senior officer, are only the tip of the iceberg.

Mr Cafar says that there still remain many assassinations to be cleared up, including that of Ms Elisabeth last October, of El Salvador's archbishop, Monsignor Oscar Arnulfo Romero in 1981, and more recently of Mr Hector Oguell, an El Salvadorean Social Democrat leader who was assassinated three weeks ago by a hit squad. The new archbishop, Mgr Arturo Rivera y Damas, said last week that he has also received death threats.

Mr Canas says that the FMLN believes President Cristiani is desperate not to lose US economic and military support, which is the subject of several bills about to be presented in the US Congress. US religious groups are lobbying heavily to have the aid cut because of the recent slayings.

An aide to a US senator prominent in Central American policy debates, said he did not believe there was enough support in Congress to cut aid completely, but that a compromise motion might succeed in tying aid packages to advances in the negotiating process.

Mr Canas believes, however, that if aid is continued, the army will be encouraged to fight rather than negotiate. "We are preparing for both possibilities," he said.

Talks fail to end deadlock at Ford Mexican plant

By Richard Johns in Mexico City

TALKS between dissident workers and the official leadership of the Confederation of Mexican Workers (CTM) on Ford's assembly plant at Cuautitlan have shown little sign of breaking the deadlock paralysing output there. The closure of the plant is now well into its fourth week, at a cost to the company estimated independently at more than 4,000 vehicles.

For the time being the management is little more than a helpless spectator at an inter-union dispute over representation, which could become embarrassing to the Administration of President Carlos Salinas de Gortari in its drive to attract foreign investment.

At a meeting of the Federal Committee of Conciliation and Arbitration last Friday, Ford withdrew its request for an injunction ending its existing contract with the CTM.

The rebels are demanding recognition of their leaders, headed by Mr Raul Escobar.

Workers at the plant, in the state of Mexico, have also threatened a mass defection to the Confederacion Obrera Revolucionaria, a rival federation less amenable to state pressure.

As a condition for a return to work, Mr Escobar and his colleagues on the Cuautitlan workers' negotiating committee have also stipulated that the company should undertaken in writing to guarantee the physical safety of the labour force, the removal from the site of armed security forces, and the re-employment of the full 3,800-strong labour force without any victimisation or dismissals.

The shut-down and occupation of the plant began on January 8 when thugs stormed the factory to attack workers protesting at the company's method of deducting tax on their 1989 productivity payment and Christmas bonus. In the affray one worker was killed and seven badly injured.

At least the rebels have the satisfaction that a warrant has been issued for the arrest for Mr Hector Uriate, former official CTM leader at the plant, as the alleged "intellectual author" of the assault. He is now in hiding. Ford appears to be paying a heavy price for reliance on the official leadership imposed from above rather than elected local representatives.

In November last year (the last month for which figures are available) Ford's output at Cuautitlan totalled 4,805 vehicles: 1,472 Taurus, Cougar and Thunderbird cars and 3,333 lorries. In addition, at its Hermosilla plant in the state of Sonora it produced 3,253 Topaz models for export.

OVERSEAS NEWS

Ferranti 'broke ban on S Africa arms sales'

By Michael Holman, Africa Editor

FERRANTI International, the British defence company, was yesterday accused of breaching UN embargoes on both arms exports to South Africa, and imports from the republic.

Mr Robert Hughes, the British Labour Party MP and chairman of the Anti-Apartheid Movement, has written to Mrs Margaret Thatcher, the Prime Minister, calling for an immediate investigation into "major failures by the security services in relation to Ferranti's South African connections".

Mr Hughes was drawing on information due to be disclosed last night in the Thames Television programme, *This Week*.

He claims that as a result of Ferranti's takeover of the US registered company, International Signal and Control (ISC), the embargoes were broken.

The points raised by Mr Hughes in his four-page letter involve a complex link between Ferranti, ISC, and Armscor, the South African state-controlled arms production and procurement corporation.

Mr Hughes says it is a matter of "gravest concern" that a Mr R. Clyde Ivy, a US national, was appointed to the board of Ferranti in 1987.

"Prior to this appointment," writes Mr Hughes, "Mr Ivy had been employed from 1977 to 1980 as a senior official of the South African company Kentron, which is a wholly-owned subsidiary of Armscor."

Mr Hughes alleges that at the time of its takeover by Ferranti International in 1987 ISC was under investigation in the US over alleged illegal shipment of military equipment, by its subsidiary ESI Manufacturing Inc, to South Africa.

"These shipments continued up to 1989, after the takeover of ISC by Ferranti," continues Mr Hughes.

He asks Mrs Thatcher to investigate the matter "with the utmost of urgency". A spokesman for Ferranti has denied that the company was "knowingly involved with any illegal trade with South Africa."

Beirut fighting eases

By Lara Marlowe in Beirut

FIGHTING between General Michel Aoun's soldiers and the Christian Phalangist militia of Dr Samir Geagea eased last night after reports that the two men had spoken by telephone and agreed to a ceasefire.

The sound of mortar fire could still be heard in East Beirut but the artillery battles of the last two days – which killed more than 60 civilians and wounded more than 200 – appeared to have ended.

Gen Aoun had staked his future as the self-proclaimed leader of Lebanon's Christian enclave on his ability to wipe out the 10,000-strong militia, which has put up more resistance than he had expected.

For much of yesterday the city was still shrouded in smoke. Fighting was particularly heavy around the Ministries of Justice and Finance, at the eastern end of Beirut's dividing Green Line.

Gen Aoun's artillery gunners wounded 15 Christian refugees – mostly children – sheltering in an abandoned school in Jemmaizeh, in territory held by the militia.

Many Lebanese believe that Gen Aoun's real motive in provoking the stand-off was his desire to seize the Phalange-controlled port and taxation system. President Hrawi's government in West Beirut has cut all central bank funding to Aoun's renegade government.

After the US State Department called on Gen Aoun to step down on Wednesday, he accused the Phalangists of operating "under the direction of the American secret services."

Indonesian villages bank on reforms to the farm economy

John Murray Brown looks at a shift in institutional lending

THIS week, following President Suharto's initiative on rural co-operatives, Mr Adrianus Mooy, governor of Bank Indonesia, unveiled reforms for the village economy, where more than half the country's 175m people live. "We have newspapers entering the villages, the army is in the villages, so why not the banks?" he asked.

The changes add up to a radical shift in Indonesian farm policy and a welcome move towards more market-related institutional lending. Subsidised credits, long seen as the universal cure for an ailing agriculture, are to go. Commercial and state banks will now have to extend 20 per cent of their loan portfolio to small enterprises, those with assets of less than Rupiah 600m (£202,020). Foreign banks are exempted.

The reforms come amid growing concern that development is bleeding the countryside, as increases in rural savings are used to finance largely urban investments. It might almost be a definition of what happens when a country develops. As one banker put it: "The man who yesterday kept his savings under the mattress is today exchanging a claim on Bank Indonesia for a claim on a commercial bank and earning interest to boot."

Thailand and Malaysia have similar polices but this is the first time that Indonesia has imposed rules on sectoral lending. It is, in part, a political gesture to defuse criticism that Chinese groups are dominating the economy. Inevitably, comparisons are being made with Malaysia's New Economic Policy which also set out to eradicate rural poverty by a racial restructuring of the economy in favour of the indigenous Malays.

Indonesia has several rural credit programmes. A 1988 World Bank report on rural credit lists more than 20. Some, like the Kupedes scheme at Bank Rakyat Indonesia, work well at market interest rates of 32 per cent.

There is also a multitude of informal savings schemes. On the small island of Lombok there are more than 20 informal associations covering everything from the cost of farm inputs to the staging of a religious festival. Despite interest of more than 5 per cent a week, the informal sector is said to account for a staggering 60 per cent of rural credit.

The general problem is that rural demand is highly seasonal – for example, rice loans. Many of the official programme rates are too low to cover collection and administration costs. Too often, as in Mexico and other countries, there is also the feeling that subsidised credit is merely a tool of government policy.

"In our experience," said Mr Mooy, "the provision of credit at the right time, especially for small businesses, is more important than the cost and the interest rate."

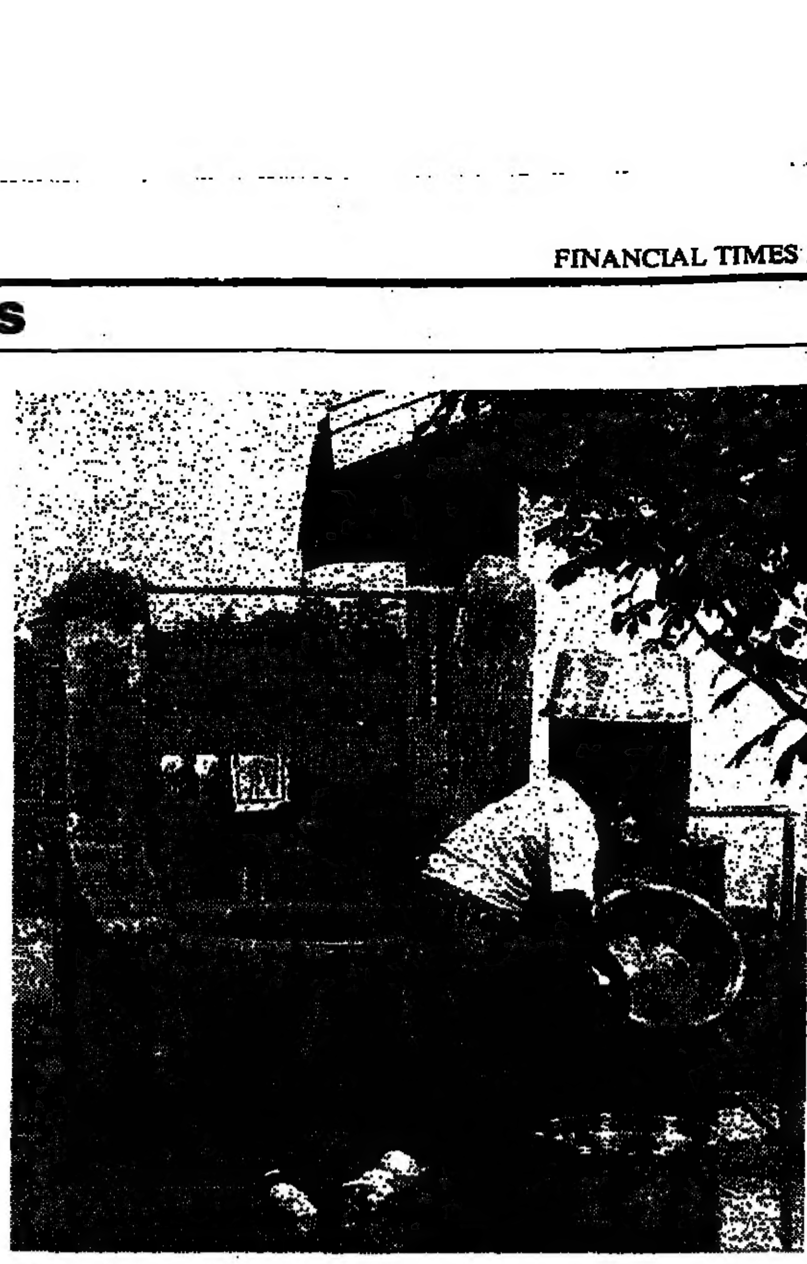
This week's reforms consign one of the principal monetary instruments to the banker's locker room. The liquidity credit – high-powered money used by commercial banks to refinance loans with Bank Indonesia at preferential rates – is to be phased out.

The system was introduced to restrain inflation by channelling the country's oil windfall to capital-intensive projects. A surge in investment, a construction boom and increased liquidity from new banks or new issues on the stock exchange is raising the spectre of inflation again. But for this year's record rice harvest many economists believe inflation would be higher than Bank Indonesia's estimate of 6 per cent. The liquidity credit is merely stoking the fire, hurting the small businessman, people on fixed incomes and the poor.

Outstanding amounts have now reached a third of total bank loans. Perhaps 20 per cent of that is bad debt. One reason, Mr Mooy says, is that the programme is seen by both the clients and the banks as a "social institution instead of a regular bank loan."

One despairing banker described Kut, the subsidised co-operative credit programme, as "a permanent financial disaster." He also doubted whether this week's change in the interest rate to 16 per cent – leaving the co-operative a 7 per cent margin – was enough when small credits are as little as Rp25,000.

The old argument was that farmers are poor and require capital to raise production. Without subsidies they are kept in poverty, and the modernisation of agriculture is stifled. It was also said that the co-operative provided small farmers finance without the need for land certificates or other proofs of title as security.



Village life for a woman at a well in Sumatra

Performance has fallen short of expectations, however, and the costs have been much higher than anticipated. Mr Mooy cites the small Investment and Working Capital credit programme where arrears payments are 25 per cent of outstanding loans. About 12 per cent has been written off. It is a similar story with the Kut.

The burden of claims on Askrindo, the Government's insurance agency, has also been considerable.

Perhaps more to the point, there is scant evidence that the subsidy works. Indeed, when the agricultural credit programme collapsed in 1985 after massive defaults, it was found that fertiliser purchases increased.

State banks reduce lending rates under government pressure

INDONESIAN state banks announced cuts in prime lending rates yesterday under clear government pressure in the wake of credit policy reforms announced earlier this week, John Murray Brown writes from Jakarta.

Despite predictions of tighter short term money following Bank Indonesia's decision to reduce its subsidised credit programme, rates for the best customers fell 3 points to 16 per cent. Commercial rates fell a point to between 20 per cent and 24 per cent, still the highest in the Asian region.

Banks are currently highly liquid following recent deregulation which saw a spate of new banks and allowed greater competition for savings. Bank Indonesia has used its "SBI" certificate of deposit to absorb some of this excess funds. These short-term instruments amount to around Rupiah 2,800bn (£930m). This compares with the increase in BI's subsidised credits – the liquidity credit – which jumped Rp3,600bn in 1989 to Rp16,000bn, about a third of total bank credit.

In his annual speech to bankers last month Mr Adrianus Mooy BI's governor urged banks to bring down rates to "reasonable levels". In particular the five state banks which account for around 70 per cent of total bank assets, have come under strong pressure. Borrowing costs have been crippling industry when it is trying to raise investment to switch into export lines in response to recent government incentives.

Traditionally rates have been little influenced by supply demand factors. With a regime of free exchange controls a more decisive factor was the rate available in Singapore coupled with expectations about further rupiah devaluation.

Singapore 'tax war' on cars sends prices soaring

SINGAPORE, trying to curb its car population, has increased registration taxes by 500 per cent, Reuter reports from Singapore.

The average price of a new car, already one of the highest in the world at S$60,000 (£19,150) rose nearly 10 per cent on Wednesday when the Government raised the registration tax by S$5,000 to S$6,000.

Dealers said the high tax on new cars would have a domino effect down into the used-car market.

Many owners who had advertised their second-hand cars for sale in the newspapers on Wednesday withdrew their offers. "The Government is making cars an investment," said one dealer.

Other motor vehicles were even harder hit by the tax increase. The registration fee for new motorcycles rose to S$1,005 from S$5 and taxis and goods vehicles to S$15,000 from S$15 dollars.

At a news conference, Mr Yeo Ning Hong, the Communications and Information Minister, said the rises were an interim measure to stop motorists rushing to buy new cars before the Government introduces a quota system to limit the number of vehicles on Singapore's roads.

Full details of the quota system, which will come into effect in April or May, have not been decided but motorists will have to bid for a limited number of licences.

Government measures to limit car ownership through higher taxes are unlikely to have much effect on affluent Singaporeans until the public transport system becomes more comprehensive.

The Government has tried in the past to push car prices higher, but one in five of the population now owns a car.

One young professional who had decided he could just afford a new Daihatsu Charade at S$40,000, 18 months' salary, found its price had jumped to S$45,000 overnight.

"But I have no choice, I need a car in Singapore so I have to bite the bullet," he said.

Thai strikers appeal to army

By Roger Matthews in Bangkok

STRIKING dock workers in Thailand said yesterday that they would seek the help of senior military commanders in resolving their dispute with the Government over the privatisation of the country's first deep-water port, which is due to start operations at the end of this year.

The call by the unions for military leaders to help resolve the issue is obviously aimed at exacerbating the Government's difficulties.

General Chavalit Yong Chaiyudh, the acting chief of the armed forces, has made little secret of his political ambitions and may decide to retire from the army soon.

He may feel that his stature within the country could be significantly advanced either by a successful intervention in the port dispute, or by the economic dislocation which would result from a more prolonged stoppage.

The inevitable politicisation of the three-day strike came as industrialists issued their first warnings of a slowdown in factory output due to shortages of raw materials and delays in meeting export orders. Under Thai law, public sector strikes are illegal, but the authorities have yet to challenge the unions' definition of the stoppage as an "extraordinary meeting".

Gen Chavalit: may intervene

It has been widely predicted that the Government will be forced to accept a compromise over the future manning of the new Laem Chabang terminals on the east coast. The unions are said to be ready to accept a deal whereby the Government would still invite bids for two of the wharves, but the others would be operated by the Port Authority of Thailand and its six affiliated unions.

However, the Government is resisting, conscious that another defeat at the hands of the public sector unions would have serious implications for selling into private ownership more of the country's state-owned enterprises.

Union hostility intensified yesterday when the Cabinet also reaffirmed its intention to change the legal status of the Electricity Generating Authority of Thailand and the Telephone Organisation of Thailand, making them both into limited companies.

General Chaitchai Choonhavan, the Prime Minister, has demonstrated a pragmatic approach to political issues. Reluctant though he may be to give way again on privatisation, there is little doubt he will not put his Government's tenure of office at real risk.

Australian monthly deficit sharply lower

By Chris Sherwell in Sydney

AUSTRALIA yesterday reported a sharply reduced monthly current account deficit of A$908m (£413m) for December, the first time it has dipped below A$1bn since June 1988.

The better-than-expected figure, which included a visible trade surplus of A$502m, reflected the economic slowdown being generated by the Government's tight monetary and fiscal policies.

It also appeared to validate the Labor Government's strategic decision last week to start easing interest rates. With businesses and mortgage-payers squeezed badly and a general election due by May, a further easing of policy is widely expected.

Analysts nevertheless cautioned against seeing a turning point in the improved December figure, which compared with a A$1.6bn deficit the previous month and A$2.33bn in October.

They pointed out that December was a shorter trading month and included no expensive aircraft imports. Seasonally adjusted figures showed a monthly deficit of A$1.6bn, while the full-year figure is still expected to be above A$20bn, a record.

The visible trade surplus of A$502m represented an impressive A$867m turnround on the November figures. Exports were virtually unchanged, while imports fell by 20 per cent.

The foreign exchange markets in Sydney took the news in their stride, with the Australian dollar weakening to 59.1 on a trade-weighted basis, compared with 59.4 at Wednesday's close.

Mr Paul Keating, the federal Treasurer, said the figures were a further sign that demand was slowing, but he warned that demand would have to remain in check for as much as four or five years.

Moscow calls for Asia-Pacific naval cuts

THE Soviet Union called yesterday for talks to reduce the level of naval forces, particularly in the Asia-Pacific region, warning a continued build-up at sea could cause serious strategic instability, Reuter reports from Manila.

While there were good prospects for halving the levels of Soviet and US strategic nuclear arsenals, "the arms race in naval forces continues largely unchecked," Mr Oleg Sokolov, Soviet ambassador to the Philippines, said in a prepared speech.

"There are not even talks on these matters anywhere, including the Asia-Pacific region," Mr Sokolov stated.

"The impression is that someone is deliberately trying to maintain a new version of 'the bamboo curtain' against arms control in this part of the world," he said.

The Soviet Union has already sharply cut its naval forces in the Pacific, reducing its presence by 57 ships and submarines between 1984 and 1989, he said. It has also started reducing its presence at the Cam Ranh Bay military base in Vietnam.

Speaking before a tour of the Asia-Pacific region later this month by Mr Dick Cheney, the US Defence Secretary, Mr Sokolov said the Soviet Union had not yet received a positive reply to proposals for talks on halting the build-up of naval forces in the area.

Mr Cheney said on Tuesday he would discuss deployment of US forces in the Pacific during his trip to South Korea, Japan and the Philippines. He declined to forecast any big cuts in the region.

US officials have said Washington has different interests in the Pacific from Moscow because the US is a sea power, while the Soviet Union is a land-based power. Failure to match arms reductions at sea with those on land could be dangerous, Mr Sokolov said.

"It leads to a situation when the lack of naval reductions in the face of those occurring in land and air-based nuclear missiles, as well as in conventional arms, could become a serious element of strategic instability and a great impediment on the way to further disarmament," he said.

"Let us not forget that today just one strategic submarine carries a destructive potential equal to several Hiroshimas and Nagasakis."

Mr Sokolov was addressing Filipino businessmen in Manila ahead of talks scheduled for March or April on the future of US military bases in the Philippines, the largest outside US territory.

The partial Soviet withdrawal from Cam Ranh Bay was not intended to influence the talks on the future of the US Subic Bay naval base and Clark air base north of Manila, Mr Sokolov said.

The US says Clark and Subic are important for the defence of the Pacific and Indian Ocean region, and wants to extend the lease, which expires in 1991.

Mr Sokolov said the logic behind the network of bases built up during the Cold War was rapidly eroding.

Chinese party tightens grip on elections

CHINA'S Communist Party, reasserting its authority after suppressing pro-democracy demonstrations last year, said yesterday it would tighten control over coming local elections, Reuter reports from Peking.

The party will "strengthen its leadership" to ensure the success of elections to local people's congresses, the New China News Agency quoted the Central Committee as saying.

A party document referred to unspecified "problems" and warned of difficulties caused by "erroneous concepts on democracy".

It spoke of "the negative effects of the widespread trends of bourgeois liberalisation" – a reference to Western political ideas under fire from the hardline leadership.

"A few cadres have become sick of elections," the party document said without elaboration.

Dissatisfaction with local elections in Hefei, in Anhui province, led to student demonstrations across China in late 1986. These culminated in a comeback by hardline party veterans, who ousted Hu Yaobang, the reformist party leader. Hu's death of a heart attack last April led in turn to renewed nationwide demonstrations for freedom and democracy.

The agency said the terms of delegates elected to local governments in 1986 and 1987 would expire by the end of this year. Some local elections have been held already.

It did not specify how the party would strengthen its control. The number of candidates would remain higher than the posts contested, it said.

Hun Sen wins backing of National Assembly

CAMBODIAN PRIME MINISTER Hun Sen has been strongly endorsed by the Phnom Penh National Assembly in his negotiations to end the 11-year conflict in his country, Reuter reports from Bangkok.

Pracheachon, the newspaper of the ruling Communist Party, said on Friday the assembly agreed to give Hun Sen "the right to prepare a detailed plan of action" to bring peace.

Hun Sen, 38, as Prime Minister and Foreign Minister and a senior party leader, has been the frontman for the Vietnamese-backed Phnom Penh government in all negotiations.

Diplomats and foreign aid workers in Phnom Penh had spoken recently of reports that he might be losing the confidence of the leadership as the army lost ground to the Khmer Rouge and other guerrillas. He will represent Phnom Penh in a new round of peace talks with the three Cambodian guerrilla factions, Vietnam and other regional states in Jakarta at the end of February.

The six-day assembly meeting, which ended on Wednesday, backed proposals for the United Nations to play a key role in the settlement process, confirming a reversal of Phnom Penh's previous rejection of a UN role.

Pracheachon stressed the need to include guarantees against a return of the "genocidal regime" of Khmer Rouge leader Pol Pot in the mid-1970s.

Seoul to build new airport

SOUTH KOREA will start building a large international airport near Seoul next year, Transportation Minister Kim Chang-keun announced yesterday, Reuter reports from Seoul.

The site has yet to be chosen, he said in a report to President Roh Tae-woo. A ministry spokesman said the airport, to be completed in 1996, would have four 4km runways and would cost 870 bn won ($1.3bn).

"The airport will have a capacity to handle up to 35 million passengers a year," the spokesman said.

The airport was necessary because Kimpo Airport is too small for expected traffic.

Iranians deported from Britain for 'public good'

BRITAIN said yesterday it had ordered the expulsion of nine Iranians, including the London bureau chief of Iran's state television, for reasons of national security, Reuter reports from London.

"There are nine people who have had deportation orders against them on the grounds that it would be conducive to the public good for reasons of national security," a British Home Office spokeswoman said.

They were given one week to leave Britain.

The spokeswoman would not identify the other eight but Iranian television reported earlier that the Iranian journalist and two students had been ordered to leave the country.

Britain deported two Iranian students in December. A third was arrested and charged with an arson attack on a London bookshop selling copies of Salman Rushdie's The Satanic Verses.

In a statement issued in Tehran two weeks ago, a radical student group warned that British citizens in Islamic countries and elsewhere would be in danger unless Britain freed jailed Iranian students.

Iran's late spiritual leader Ayatollah Ruhollah Khomeini condemned the book as blasphemous to Islam and ordered the author's death.

Tehran broke diplomatic relations with Britain over the affair.

Exiles return to sample Jordan's experiment in democracy

Lamis Andoni reports on the Kingdom's liberalisation drive which could prove to be a lesson for the Arab world

AFTER 19 years in exile Mr Hani Hourani, a prominent writer and researcher, has come back to settle in the Jordanian capital, Amman. During his wanderings he established a reputation as one of the most respected experts on Jordan.

The kingdom's liberalisation drive, which has meant an end to the ban on political activists, has enabled Mr Hourani and many members of the opposition to return.

Like thousands of other politicians and intellectuals who were denied passports for "security reasons," Mr Hourani will soon have his passport back and be able to publish his previously banned books.

"People around me did not believe that I was allowed back, but for me, my being here is a sign that this experiment can work," says Mr Hourani, who is considered the ideologue of the left-wing Jordan People's Democratic Party.

"After living for many years in the so-called radical Arab states, I believe that there is finally a democratic experiment which can inspire the Arab people who are still living under authoritarian regimes," he says. Mr Hourani spent many years in the Syrian capital, Damascus, north of Jordan.

Many Jordanians share Mr Hourani's hope that after decades of absolute monarchy the country is moving towards more popular participation and broader political freedoms. In the weeks following the country's November general election – the first in 23 years – the rate of political change here has been unparalleled in the Arab World. Instead, it is likened by Jordanians to the transformation of Eastern Europe. They compare their experiment to Soviet perestroika, because in both cases it has been the rules of the game rather than the leadership which has changed.

The Jordanian Government is scrapping martial law, imposed after the 1967 Arab-Israeli war, the repressive defence law enacted by the British mandate authorities in 1935, as well a strict 1953 anti-Communist law. "All of these laws are in the process of being abolished completely," says one Jordanian official.

Both the martial and defence laws had stifled freedom of expression and political organisation and had practically rendered the Jordanian constitution – considered one of the most progressive in the region – obsolete. Unlike some other Arab states, where opposition members have simply been killed, repression in Jordan has taken much more subtle forms. Activists and writers have had passports withdrawn or denied, suffered from bans on work or travel, and been detained without trial.

In 1988 Jordan's decision to sever its official links with the Israeli-occupied West Bank removed the pretext for retaining martial law. In April 1989, resentment of deteriorating economic conditions and political repression finally erupted in riots which swept the southern parts of Jordan – the traditional support base of the Hashemite monarchy.

Since then, the King and Government have sought to reassert their legitimacy at home by conceding to some popular demands and embarking on a daring experiment.

The most crucial test for this experiment took place at the start of the year, with a lively, three-day parliamentary debate which finally gave Mr Mudar Badran, the Prime Minister, a vote of confidence. Mr Badran set a precedent by allowing himself to be questioned.

Jordanians, however, still remember how in the 1950s and 1960s opposition deputies would be arrested and Parliament would be dissolved after a controversial session.

"From now on," declares a Jordanian government official, "we have to answer to the Parliament." But there are no illusions here about the extent of the liberalisation. "The most we can achieve according to the Constitution is a partial participation," says Dr Jamal Shaer, a former Jordanian minister. According to the 1953 Constitution, the King retains the right to appoint the Cabinet and dissolve Parliament.

These constraints do not seem to discourage many people. They believe that a reversal of the democratisation process would seriously backfire, probably undermining the legitimacy of the system.

Disillusionment with other, "radical" models of Arab government helps to dampen opposition. "History has shown that both radical republics and conservative monarchs can be authoritarian and repressive," says Mr Hourani. "We hope to realise a new model here. We have no models to emulate."

WORLD TRADE NEWS

Japan to restrain car exports to EC until 2000

JAPAN will accept continued curbs on its car exports to the European Community after 1992 but not after 2000, Reuter reports from Tokyo.

The Japanese statement comes as European foreign ministers prepare to meet in Brussels next week to try to forge a common policy on opening the market to Japanese car imports ahead of 1992.

An official of Japan's Ministry of International Trade and Industry (Miti) said Japan had been prudent in exporting to the EC and was prepared to continue this policy.

But Japan feared a Fortress Europe after 1992 with reduced access for imports.

An official Japanese report last year said that Japanese manufacturers should take no action that might cause the EC to move toward a bloc economy.

"In Western Europe, oversupply is a problem. To prevent the market from becoming closed, the Japanese auto industry must continue moderate export activities and maintain a balance with overseas production."

Britain and West Germany are now fairly open to Japanese cars, but France limits them to three per cent of the market and Italy to 2,500 cars a year.

Average EC market share for Japanese car imports is 10 per cent but in Denmark and Ireland, which have no domestic vehicle production, it reaches 30 per cent.

A European diplomat in Tokyo said the two main positions at the Brussels meeting would be that of the liberals, led by West Germany and Britain, favouring an open market, and that of the protectionists – France, Italy and Spain – who want a transition period to protect their car industries.

European diplomats in Tokyo said while sensitive and difficult negotiations would be required, a compromise could be reached.

Mr Patrice Genre, of the French Agency for Industrial Development, said there should be no problem reaching an agreement, as all parties agreed on the aim of an open market but differed on the means of achieving it.

Mr Genre said France's motor industry could not bear a sudden rise in Japanese imports and the opening had to be gradual, giving companies time to adapt. France would propose a maximum transition period of up to 1999, he said.

The Miti official said Japan could agree to a transition period during which exports would continue to be restricted, but too long a time, such as 10 years, would not be acceptable, he said.

Hungarian airline to update fleet with western aircraft

By Paul Abrahams in Budapest

MALEV HUNGARIAN Airlines is to acquire seven medium-range jets and at least two wide-body, long-range aircraft, probably from Boeing.

Malev already operates three Boeing 737s and last week said it would lease three more from GPA, the Shannon-based leasing company.

Mr Lajos Jahoda, Malev's director general, did not exclude the possibility of acquiring Airbus or Soviet aircraft if they met price and performance specifications.

Malev wants to operate two wide-body jets on routes to Asia and the US by 1993. A further wide-body jet is needed by 1995 before the Budapest and Vienna world exhibition. The seven medium-range aircraft are required by 1997.

Malev said it would prefer to purchase the aircraft outright rather than from a leasing company.

Mr Jahoda said the airline was considering becoming a privatised company. One of the advantages of this would be that some of the capital made available could be used to update the fleet.

He refused to speculate on when such a move might take place. Previous statements by the company suggest that it would not occur before next year.

Mexican president seeks fair trade deal

By William Dullforce

PRESIDENT Carlos Salinas de Gortari of Mexico yesterday called on the General Agreement on Tariffs and Trade (Gatt) to ensure that countries such as Mexico, opening their economies to imports, received full reciprocal treatment for their exports.

Such equilibrium was one of five principles that should form the basis for the final year of the world trade organisation's trade-liberalising Uruguay Round, President Salinas proposed while visiting Gatt headquarters in Geneva.

It was paradoxical, he said, that countries delaying the opening of their economies had the greatest negotiating power in the Gatt talks.

The Mexican president was particularly harsh about the proliferation of non-tariff obstacles to imports and by the replacement of the "objective" concept of free trade with the "subjective" one of fair trade – a term which has had increasing currency in the US during the last couple of years, as the Americans have tried to deal with their trade deficit.

The four other principles which President Salinas suggested should be kept in mind in the final phase of the Round were:

- *Compliance with basic Gatt rules should be re-established.* This would entail bringing trade in farm goods, textiles and clothing under Gatt. Mexico faced severe restrictions on the growth of its exports in these sectors.
- The quality of Gatt rules should be improved. Lack of precision allowed for unilateral interpretations of the rules and misuse of anti-dumping provisions to harass exporters.
- Innovative mechanisms should ensure that the trading system contributed to countries' economic development. *The special treatment for* developing countries allowed in Gatt had not always been effective.
- The trend towards regional trading blocs should be channelled in such a way that the blocs became poles for developing trade instead of impenetrable fortresses.

EC plea to Gatt on import safeguards

By William Dullforce

THE EUROPEAN Community yesterday tabled a proposal that would allow governments to apply selective restrictions against imports seriously injuring domestic producers.

Brussels' insistence that the temporary safeguard action Gatt allows countries to take against surges of imports can be aimed at only one or a few suppliers has become a big stumbling block in talks aimed at improving the safeguard regime.

Yesterday the EC outlined ideas for "interim precautionary action" by a government when it believes that imports from identified sources are causing injury.

The government would first call for consultations with the the exporting countries. These talks would have to be held *within 10 working days.* Failure of the consultations would allow the importer to restrict imports from those particular countries on an interim basis. The restrictions could be maintained until the end of an investigation into the alleged injury but not for more than eight months.

OECD warns of 'subsidy war' among world's rich nations

By William Dawkins in Paris

BETTER international monitoring of state aid to industry is badly needed to reduce the risk of a subsidy war between the world's richest countries, warns the Organisation for Economic Co-operation and Development (OECD).

It argues that state aid usually ends up harming the economies of both the country concerned and its competitors.

In all but the most sensitively planned cases, state aid only gives a short term boost to the recipients while distorting the share-out of scarce resources, draining government finances and generating international trade friction, the study says.

The success of international negotiations on scrapping tariff barriers has increased the temptation for Governments to turn instead to industrial aid to solve economic and political problems. "Given the lack of internationally standardised methods of defining and reporting subsidies, they remain far less transparent than tariffs," and therefore more likely to produce rows, argue the OECD's Mr Robert Ford and Mr Wim Suyker

Industrial aid across the OECD's 24 member countries during the 1980s averaged 1.5 per cent of gross domestic product. This embraces a low of 0.7 per cent of gross domestic product in the US between 1985 and 1988 to a high of 5 per cent to 7 per cent in Norway, Greece and Ireland. Britain and New Zealand are the only OECD members to have cut subsidies during the decade.

But this broad stability is only because OECD countries' economic prosperity has reduced pressure on governments to bail out companies in trouble. A downturn could quickly send them back to their bad old ways, warns the study.

Subsidies are highest in transport and declining sectors like steel, coal and shipbuilding. Grants are the most popular type of aid, particularly in Italy and the UK, while France, Belgium and Denmark tend to rely on state shareholdings and soft loans. Tax breaks are the second most popular in Europe, but top the list in the US where they absorb three times more Government spending than grants.

Whatever the method, the study concludes that economically effective industrial grants are rare. The experiences of Airbus and the Japanese Government's support for its semiconductor industry in the early 1980s showed that while subsidies are successful in gaining market entry, "the costs tend to outweigh the benefits," claims the paper.

The standard reply is that aid makes up for market shortcomings, funds research and development combats unfair foreign competition, and promotes regional development or exports. The study concludes these are legitimate – but questionable – value judgements, but that common international definitions are needed.

OECD Department of Economics and Statistics. Working Paper no. 74: Industrial Subsidies in the OECD Economies. 2 Rue André Pascal, 75775 Paris, Cedex 16, France.

Enter the twilight zone of Sub-Saharan statistics

Michael Holman reports on the nightmare world of official trade figures and bureaucracy in Africa

DO Sub-Saharan Africa trade statistics mean anything? No, according to a recent World Bank paper.

They are "almost useless", asserts Dr Alexander Yeats, a Bank economist, author of a study* which reveals what are politely termed "major discrepancies" in trade data for 36 African countries.

Benin, if United Nations data were to be believed, has been a major trading partner with itself. In one year, the *Ivory Coast reported exports of* $2.3bn to the European Community, $500m less than the figure reported by Brussels. Data for Gambia are missing in 1967 and 1978, while Zimbabwe's imports from Malawi were exactly the same in 1982 and 1983, according to the UN Statistical Office.

These and many other anomalies are revealed in a report which analyses official trade statistics reported by the UN. These records are the sole source for the compilation of developing and developed country export and import statistics on a common classification system, Standard International Trade Classification (SITC).

"Official data", concludes Dr Yeats, "appear to be of no utility for determining the level, direction, composition or trends in African trade."

The implications of the study are far-reaching. Dr Yeats points out that accurate information is essential to efforts to increase trade between African countries through regional economic arrangements.

Africa's efforts to promote trade within the continent have so far had little success, although this may be due not only to unreliable statistics but also to a ponderous bureaucracy.

As another World Bank report** *pointed out last November,* the continent has 200 regional organisations for co-operation and integration, but the intra-regional share of total Sub-Saharan African trade is the same as it was 20 years ago.

However, the consequences of "almost useless" trade statistics go much further.

As Dr Yeats warns: "Errors in developing country trade data could adversely influence government policies relating to investment, balance of payments, initiatives for liberalisation of trade barriers, exchange rate policy and a host of other factors that affect a nation's industrialisation."

Although Dr Yeats does not elaborate on his warning, it is clearly pertinent *to the structural adjustment programmes* drawn up by the World Bank and the International Monetary Fund (IMF), and adopted in varying degrees by more than half of the Sub-Saharan governments.

The issues cited by Dr Yeats are fundamental to reforms, and his paper shows that at least part of the data on which reform strategies are based is thoroughly unreliable.

Aside from the neglect of government statistics departments throughout most of Africa, Dr Yeats' report provides several reasons for the inaccuracies in trade data.

> Benin, if United Nations data were to be believed, has been a major trading partner with itself

- Discrepancies in reported quantities traded involving products such as petroleum, coffee and cocoa "suggest that exporters have intentionally been under-reporting shipments to circumvent international commodity quotas".
- Smuggling accounts for the unreliability of figures on high-value, low-*volume products such as* precious stones and is also encouraged by high import tariffs.
- Under-invoicing explains large differences in some products' reported unit values; alternatively, exporters are not getting full value on these items.
- Trade with South Africa. The fact that Pretoria does not report exports to black Africa produces "major discrepancies in the trade statistics".

After analysing matched partner statistics for the 36 countries' intra-trade, the study reaches some general conclusions.

First, such wide differences exist in reported matched statistics that the data "cannot be used to assess the overall level of intra-trade".

Second, the data "are probably equally useless for assessing the direction of intra-trade, since countries reported (by an exporter) as the major destination of trade often fail to report any corresponding imports."

Third, the data seem "equally deficient for determining the composition of trade," since big discrepancies exist in partner country statistics at lower levels of product detail.

Fourth, there are "sizeable and persistent differences" in the trends of African partner country trade, as reflected in exports or matched imports, "which indicates that these statistics may not accurately reflect either the magnitude or direction of trade changes".

Errors revealed by the study "strongly suggest the need for more stringent quality control measures by the UN Statistical Office," writes Dr Yeats, "and by the reporting countries themselves."

But economists who deal with Africa, and who have read the report, believe that wide-ranging additional measures are necessary if the continent's trade statistics are to prove more reliable in future.

"Unless African governments – and the donor community – devote more resources to data gathering and processing, most statistics from the continent will continue to be little better than guesstimates," said one African economist.

* *On the Accuracy of Economic Observations: Do Sub-Saharan Trade Statistics Mean Anything? Alexander J. Yeats. A working paper published by the International Economics Department, World Bank, Washington, DC. Tel: (202) 477-1234*

** *Sub-Saharan Africa: From Crisis to Sustainable Growth.*

Government refuses inquiry into 'smear' allegations

By Ivor Owen, Parliamentary Correspondent

DEMANDS from all quarters of the House of Commons for a wide-ranging inquiry into renewed allegations by former Army press officer Mr Colin Wallace that the security services may have been involved in attempts to smear leading politicians of all parties in the 1970s were rejected by the Government in the Commons last night.

Mrs Margaret Thatcher,the Prime Minister, angered the opposition benches by insisting that information obtained from previously undisclosed files did not warrant such an investigation.

Repeated claims by Mr Neil Kinnock, the opposition Labour leader, that the documentation which had come to light within the Ministry of Defence had created a new situation were brushed aside by the Prime Minister.

Mrs Thatcher confirmed that she had expressed regret to those MPs who had been given incorrect information at an earlier stage, and stressed that the newly discovered material did not provide any evidence of attempts to undermine or discredit ministers.

Colin Wallace

But Mrs Thatcher, who was repeatedly challenged by Mr Kinnock to launch an inquiry to reveal the "full truth", stood by her statement on the Wallace affair of May 1987.

With equal determination Mr Tom King, the Defence Secretary, argued that the fresh documents which had come to light, the first of which were found "early last year," did no more than necessitate an inquiry into whether Mr Colin Wallace, the former Army information officer, had been unjustly treated.

Mr Merlyn Rees, the Labour MP and former Home Secretary, revealed that he been unaware of a proposal to engage Mr Wallace to spread "disinformation" during the period he was Northern Ireland Secretary.

He also emphasised that an earlier inquiry which he conducted with Mr (now Lord) Callaghan,the former Labour Prime Minister, into whether attempts had been made to destabilise the Government of Mr (now Lord) Wilson had not covered "dirty tricks in Northern Ireland".

Mr Rees warned: "This will not go away – the next Labour Government will look at it and those who are hiding things from this Government had better remember that".

Sir David Steel, the former Liberal Party leader, said attempts to discredit himself and other members of the party in 1974 could only have been designed to interfere with the processes of democracy.

Propaganda war of dirty tricks

By Ralph Atkins and Jimmy Burns

THE controversy surrounding Mr Colin Wallace, which this week has entangled prominent politicians in Labour, Conservative and Unionists parties, goes back more than two decades.

In 1968, as Northern Ireland's "troubles" were beginning to erupt, Mr Wallace was appointed as information officer for the army in Northern Ireland at its Lisburn headquarters near Belfast. He was a civil servant with an equivalent army rank of major.

In the months following Wallace's appointment, the information department of the army in Northern Ireland was re-organised to provide an effective propaganda tool.

The Government has admitted *that a job proposal,* almost certainly drafted with Mr Wallace in mind, straddled the grey area between supplying official information cleared for public release and the deliberate leaking of stories as part of a propaganda war.

At the centre of Mr Wallace's allegations was the "Clockwork Orange" project. Its aim was to spread information about the Provisional IRA's organisation and activities.

Mr Wallace claims Clockwork Orange was extended to cover Protestant organisations and individuals who were blocking Government attempts to break the political deadlock in the province.

In the House of Commons it has been alleged that the MoD smears may have extended to include Mr Edward Heath, the Conservative prime minister until 1974 and Mr Harold Wilson, his Labour successor.

The circumstances surrounding Mr Wallace's dismissal have led to allegations that he was driven out of the civil service because he threatened to reveal the extent of the security forces activities.

The Government has this week set up an inquiry into his appeal.

In 1981, Wallace was arrested and tried on a charge of murder, later reduced to manslaughter,for which he got ten years. He was released on parole. In his book on the Wallace case, journalist Paul Foot alleges Wallace was framed.

Charter airline calls in receiver

By Charles Leadbeater, Industrial Editor

THE steep fall in demand for package holidays abroad yesterday claimed its most significant victim yet as British Island Airways, the loss making charter airline, called in the receiver.

BIA's six BAe 1-11 jets and the four McDonnell Douglas MD-83 it leases, were grounded *immediately* after the announcement, leaving hundreds of holidaymakers stranded.

BIA's collapse reflects the depression which has descended on the charter airline industry with a decline of at least 25 per cent in package tour bookings for this summer, after a 10 per cent fall last year.

'Favourite airline': BIA's best-known passenger in better days

The company, which is quoted on the Unlisted Securities Market, rose to prominence by flying Mrs Thatcher around the UK during her last two general election campaigns.

BIA, the carrier said to be the prime minister's favourite airline, has gone under at the end of the week which has confirmed that higher interest rates and lower consumer spending, are starting to bear heavily on weaker companies in consumer related industries.

BIA asked its bank, Lloyds Bank, to call in the receiver to end a desperate struggle to stay in business, after it reported a £4.9m loss in the first half of this financial year, in the wake of a £2.9m loss in 1988. The company's shares have not been traded since November 27, when they were suspended at 30p after Mr Peter Villa, BIA's chairman said the company needed time to clarify its financial position.

The company employs 386 people at Gatwick airport.

BA to start Glasgow-US service

By James Buxton

BRITISH AIRWAYS is to operate three flights a week between Glasgow and New York from August 3, Lord King, the airline's chairman said in Glasgow yesterday.

His announcement puts further pressure on Mr Cecil Parkinson, the Transport Secretary, *to scrap the rule* requiring transatlantic flights from Scotland to use only Prestwick airport. Mr Parkinson is reviewing the status of Prestwick, which is under-utilised, and had promised a decision "early in the New Year".

Lord King said that the flights, using Tristar aircraft, would operate on Fridays, Saturdays and Sundays. Fares would be the same as for flights from London and Manchester. He was "fairly confident" that Mr Parkinson would decide to allow intercontinental flights from Glasgow.

The lack of a statement from *the Government was one* reason for the length of time between the Civil Aviation Authority's granting of a licence to BA last December and the August start date. The main reason, however, was shortage of aircraft as a result of late deliveries of Boeing 747-400 aircraft caused by the recent strike at the US aircraft maker's Seattle plant.

Lord King said that BA would not run the Prestwick service if the Government continued that airport's monopoly. He said BA wanted a daily service as soon as possible.

Officials say the delay in Mr *Parkinson concluding the* review is due to the time taken to examine the 1,100 submissions received on the issue.

● British Airways is to merge its marketing and operations departments following Mr Peter Owen's decision to resign as director of operations after 20 years with the company.

Record loss of £441m posted by ECGD

By Stephen Fidler, Euromarkets Correspondent

BRITAIN'S state export insurance body, the Export Credits Guarantee Department, posted an unprecedented £441m trading loss in its last financial year, five times more than the previous year's shortfall.

The loss, disclosed by Treasury officials yesterday, was due to a sharp rise in provisions on its loans to developing countries.

The accounts, for the year ended last March, also suggest that a further sharp rise in the cushion against bad debts can be expected for the current year.

The ECGD uses Bank of England guidelines for commercial banks – the so-called matrix – to set its provision levels. This week, the Bank published a new matrix indicating bank provisions should rise from an average of about 30 per cent to 50 per cent of their exposure loans to problem Third World debtors.

The loss raises the cumulative deficit of the ECGD from £252m to £693m.

The ECGD has now made provisions of £3.2bn against its total portfolio of about £12bn. New provisions last year amounted to £770m, compared with £213m a year earlier.

The department was due to disclose the figures at a news conference next week. when it is likely to emphasise that the provisions have been made for the most part on loans made a long time ago and compare with cumulative lending of some £250bn in support of UK exports over its 70-year history.

Of 15 important middle-income countries with debt problems, seven are not now being covered for medium and long-term lending, Mr Nigel Wicks, second permanent secretary at the Treasury told the House of Commons Select Committee.

They are Argentina, Bolivia, Ivory Coast, Ecuador, Nigeria, Peru and Yugoslavia. An eighth, Brazil, has said it will delay payments to government creditors.

The ECGD's borrowings from the Treasury's consolidated fund rose in the year to about £1.7bn from about £1.3bn.

IN BRIEF

Ambulance chiefs rule out acting as mediators

THE UK's chief ambulance officers ruled out formally acting as mediators in the long running ambulance pay dispute.

Representatives of the UK's 48 officers who met at an emergency meeting in Harrogate are seeking an early meeting with Mr Duncan Nichol, NHS chief executive, to discuss proposals they say could lead to a resolution of the 20-week dispute.

Court revelations

Details of recent attempts by liquidators of the crashed Barlow Clowes investment companies to recover investors' money have been revealed in the High Court after a senior judge lifted reporting restrictions.

Sky costs

Rupert Murdoch chief executive of The News Corporation conceded last night that Sky Television could cost as much as £400m before any profits are seen. Murdoch, who was speaking on Thames Television's The City Programme, conceded that he now thought there was room in the market for both Sky and its satellite rivals British Satellite Broadcasting.

Oil field approved

Development approval for one of the smallest North Sea fields yet was granted by the Department of Energy. Amerada Hess is to spend some £7.3m to tap into the 1.5m barrel Hamish field, nears its Rob Roy field facilities.

Broker wound up

Onyl de Falbe International, an insolvent Lloyd's reinsurance broker, has been compulsorily wound up by the High Court in the public interest following an order made on an unopposed petition by the Department of Trade and Industry supported by a French company, Groupe Kleber, claiming to be a creditor for £160,000.

BAe to refit tankers

British Aerospace, in conjunction with Dorset-based FR Group, has won a major contract worth more than £100 million to convert VC10 and Super VC10 aircraft into flight refuelling tankers for the RAF.

MO warning

The treasury's key monetary indicator, M0, continues to flash warning signals and appears to have grown at an annual rate of about 5.7 per cent in January. M0 is regarded as a reliable guide to spending in the economy because it measures the demand for notes and coins in circulation.

Arts Council TV

THE Arts Council has decided to go ahead with plans to set up its own television company. Basic funding of £1.5m has been approved for next year to establish Arts Council Television, a company designed to work with independent producers and established broadcasters.

Opera renovation

Westminster City Council has approved in principle a £267m renovation scheme for the Royal Opera House in London. However, it has requested a series of design changes which are likely to involve increased costs.

Foreign seafarers

British Steel is to re-register six ships outside the UK allowing the privatised steel company to replace more than 100 British seamen with cheaper foreign seafarers, although the ships will retain British officers.

News, US style

News bulletins on satellite TV are too Americanised, Lord Rees-Mogg, chairman of the Broadcasting Standards Council, said at the second day of a European satellite marketing conference.

Brel sold for £4.9m

Brel, the privatised rolling stock manufacturer, was sold *by British Rail for £4.9m,* the company's annual report revealed. The report, which covers the year to September 30 1989, shows that the company had assets of £216.9m and debts of £212m when it was acquired by a management and employee buy-out consortium last year.

TV breach denied

Cass Goossens, director general of BRT, the Belgian state television network and chairman of the Eurosport satellite television consortium, denied that European Commission officials in Brussels had decided the channel was in breach of competition rules.

Beatles project

A £1 million waterfront tourist attraction is to be built in Liverpool. Called the Beatles Story, it will recreate the sights and sounds of the long-lost Cavern Club in Liverpool where the band first played.

REPORTS OF THE PAY REVIEW BODIES

Public sector faces wage rises in stages

By Michael Cassell, John Gapper and Alan Pike

THE Government yesterday tried to dampen down inflationary pay rises and bring an end to the ambulance dispute by insisting that recommended increases for 1.3m public sector workers, averaging nearly 10 per cent, should be paid in stages.

The decision, agreed by the Cabinet, covers nearly one quarter of public sector workers. It means that most of them will receive *a 7 per cent pay* increase on April 1, with the balance delayed until January 1991.

Staging the £2.3bn package will save the Treasury £463m in 1990-91. Without phasing the pay rises, nurses would have received a 9.6 per cent rise in April, with top civil servants and judges getting increases averaging 11 per cent.

The review bodies, which are composed of independent experts on pay matters and other public figures, make recommendations independent of Government cash limits and now report at the start of the year.

Their freedom to recommend higher overall increases than the Government wants has been made more awkward by the long-running ambulance dispute, which has increased *the pressure to hold down* other public sector pay awards.

The decision to stage the increases is seen by ministers as an important step in helping to suppress pay expectations in both the public and private sectors when average, year-on-year earnings are rising at 9.25 per cent.

Mrs Margaret Thatcher said in a Commons written answer that the cost of immediately implementing the recommendations – covering the armed forces, top civil servants, judges, doctors, dentists, nurses and other medical professions – would be too high.

The staging of individual review body awards was common in the mid-1980s but in the past two years the Government has implemented awards promptly and nearly in full. This year, the only extra Trea*sury funds go to the Department* of Health, which will receive an extra £205m to help smooth the path of the government's NHS reforms.

Mr Kenneth Clarke, Health Secretary, said the staged awards to doctors and nurses should convince ambulance crews their dispute over an original offer of 6.5 per cent was "hopeless," and they should resume normal working.

But Mr Roger Poole, chief negotiator for the ambulance unions, said the awards would "fuel the frustration" of ambulance crews. He said ambulance crews were having to fight for higher pay while nurses already knew their award.

The staging of the awards was criticised by other unions. The Institution of Professionals, managers and Specialists, which represents top civil servants, said the Government had betrayed its staff and its own market principles.

The biggest change in pay structure was recommended by the interim advisory committee on teachers' pay, which said education authorities should be given greater freedom to vary pay within a new national scale.

TEACHERS

Local powers on pay rises

GREATLY enhanced scope for local educational authorities to increase the salaries of individual teachers in order to meet local needs are a main thrust of the Government's pay recommendations.

The Government's pay proposals for teachers pay in 1990-91 give all classroom teachers an average increase of 8.4 per cent, with a range from 6.4 per cent to 11.8 per cent.

There is also a new system of pay for heads and deputies ranging from 9.3 per cent to 11.2 per cent and an average increase of 10.4 per cent.

The increases will cost £620m, £20m above the Government's proposed ceiling.

TOP SALARIES

High earners fare the best

THE BASIC rise recommended by the Review Body of Top Salaries is 7 per cent but further targeted increases mean that the overall increase in the 1990-91 pay bill will be 11 per cent, more than any other group in yesterday's reports.

The highest increase will be 16.7 per cent, although the payment of all the rises are to be staged. Of the basic increase 6 per cent will be paid from April 1 and 1 per cent from January 1991.

The review body says it is concerned at the gap between the group covered and the private sector since it recommended substantial increases in 1985.

ARMED FORCES

Officers to get lump sum

ARMY officers serving on Regular Commissions are to be paid special lump sum bonuses at key career points because of continuing recruitment and retention problems identified by the review body on military salaries.

Under the recommendations, regular serving armed forces personnel will receive an average increase in basic pay of between 8.7 per cent and 9.5 per cent from April 1 1990.

The cost of the increase, including bonuses and allowances is put at £431.4m. The recommendations include a new system of bonuses for non-commissioned personnel in the Army and RAF,

MEDICAL

Doctors get up to 11.5%

THE Government rejected the recommendations for extra increases at the top of the consultants' scale and in the size of consultants' awards.

It accepted the recommendations of the review body, which, when fully implemented, will result in an average pay increase for hospital doctors of 9.5 per cent and 11.5 per cent for GPs.

For nurses, the report, the seventh of the nursing staff review body, says that it remains to early to judge the effect of the new clinical grading structure on staffing, and the flexible pay scheme introduced last year is also too new to assess.

Lawson to become director at Barclays

By Peter Norman, Economics Correspondent

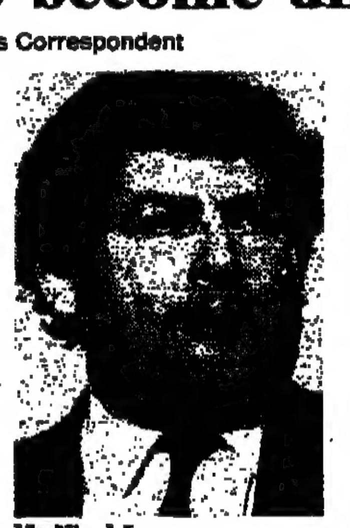
NINETY-NINE days after his spectacular resignation as Chancellor of the Exchequer, Mr Nigel Lawson yesterday found a new outlet for his talents.

It was confirmed that the Right Honourable Member of Parliament for Blaby would become a non executive director of Barclays Bank PLC and Barclays PLC, its holding company, and an adviser within the Barclays group. Mr Lawson's advisory role will involve two days' work a week at Barclays de Zoete Wedd, the investment banking arm.

Last night, Mr Lawson told the Financial Times that his work on the overseas side of BZW's business would be "particularly important."

He said that his "part time job with a leading British financial house" fitted in well with plans to write a book and remain in politics.

It is understood that Mr Lawson will be paid around £100,000 a year for his work with the Barclays group, more than making up for the loss of his £56,627 a year salary as a cabinet minister.



Mr Nigel Lawson

Another attraction of Barclays and BZW was that the two companies are British owned. Mr Lawson has also known Sir Martin Jacomb, the chairman of BZW, and Sir John Quinton, the Barclays chairman, for many years.

Indeed his links with Sir Martin go back to the 1950s when Mr Lawson was a journalist on the Financial Times. Sir Martin was then a barrister and wrote legal items for the newspaper. The two men became friends. Sir Martin is the god father of Mr Lawson's daughter, Emily.

Sir John said: "He can help us open doors across the world. He has tremendous experience and imagination in financial engineering. He has a tremendous range of contacts".

Mr Lawson will not be expected to advise the bank on aspects of British economic policy. However, his thoughts on these matters are sure to bulk large in his book, which he hopes will be published after the next general election.

The former Chancellor is currently negotiating with publishers about the book, which will probably take the form of reflections on his time as a minister rather than a conventional autobiography.

Mr Lawson is expected to start his new City career shortly. Whereas senior civil servants have to be placed in purdah before moving to lucrative post-retirement jobs, former ministers are free to follow their own judgement on how soon they can begin boardroom life.

For Mr Lawson, the chance of earning more than an MP's annual salary of £26,701 will be especially welcome. He has a young family to support. He has been living in London in a house lent by friends since losing his Downing Street house.

Last night he said that he might take one other directorship but would not seek "a clutch of them."

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Stock Exchange alters its rules as dust settles after the Big Bang

Richard Waters examines the latest overhaul in market dealing

IN about a month, the Stock Exchange's council is likely to vote on the first overhaul of the market's dealing rules since Big Bang more than three years ago.

The aim is to reinforce a system which has proved itself vulnerable since the collapse of October 1987. The Exchange fears that without significant changes, the UK's central equity market could face fragmentation.

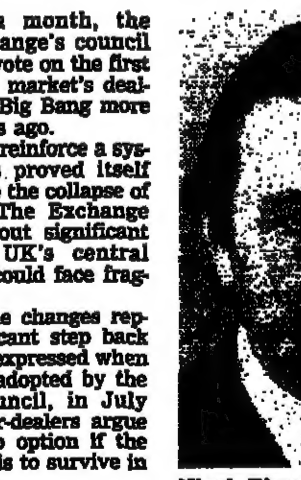
To purists, the changes represent a significant step back from the ideals expressed when the rules were adopted by the Exchange's council, in July 1984. Yet broker-dealers argue that there is no option if the London market is to survive in its present form.

The changes have been proposed by a special task-force set up by the Exchange's domestic equity market committee – the *most powerful of* the myriad committees within the market – under the chairmanship of Mr Nigel Elwes of Warburg Securities.

London's trading system relies on competing market-makers quoting prices at which they are prepared to buy and sell shares. Prices at which deals are done are then reported to the Exchange and published.

The level of transparency at both levels took a turn for the worse a year ago. Soon after it was set up, the Elwes committee recommended, and the council accepted, that market-makers should no longer be obliged to deal with each other at the prices they quote on SEAQ automated quotation screens, and that trades of above £100,000 would no longer be published immediately to the market as a whole.

This brought immediate claims from newer entrants to the London equity market, particularly those from the US, that established firms were trying to bend the rules in their favour. City regulators also looked askance on what appeared to be a retreat from the ideals espoused by the Exchange at the time of Big Bang.



Nigel Elwes: his committee believed Big Bang was unfair

The Elwes committee said it had no option. It said that broking firms, already reeling from falling profitability, were exposed unfairly to loss by the Big Bang market system.

Competitors were able to use information about what trades had been done to launch predatory attacks on firms that had taken large positions in a particular stock.

"Fair-weather" market-makers were said to be prospering at the expense of genuine market-makers, by "piggy-backing" on their trades to make a living.

The Elwes committee is proposing partially to reverse its earlier recommendations, reintroducing the obligation on market-makers to deal with each other and improving the trade reporting system. But to satisfy the concerns of larger firms, it is proposing a system of performance measurement to ensure that market-makers fulfil their obligations.

Some of the heat has gone out of this issue over the past year – in part because fair weather market-makers are now believed to pose less of a threat than was at first thought.

Within the Exchange, there also appears to be a sense that such firms pose less of a threat than was perceived a year ago – though for very different reasons.

The Elwes committee is also likely to make one recommendation beyond its brief- – that the Exchange should consider reactivating its compensation fund, which was replaced by a compensation scheme set up under the Financial Services Act. The FSA scheme covers the first £30,000 of a loss and 90 per cent of the next £20,000 – a maximum of £48,000. The old Stock Exchange fund, by comparison, covered losses of up to £250,000.

The extent of cover provided by a new fund to top up the FSA scheme would depend on factors which have not yet been explored, such as the amount and cost of insurance cover for brokers.

The level of compensation offered by other European markets is also likely to be a factor – as competition between European markets increases, London will not want to get left behind.

One official said: "There's a different sort of attitude. It's not the attitude that we saw at the end of 1988. Some people then were behaving very badly. Now there is a general acceptance of the rules."

Immediate publication of large bargains is unlikely to be reinstated, though. The Exchange is unrepentant – an official, who declined to be named, said: "To have total visibility in the market is not effective. You cannot in any way expect a system to work efficiently if it requires people to disclose when they are taking a major bull or bear position."

The crude £100,000 threshold will be replaced by a more sophisticated system based on the "normal market size" for each stock.

In crude terms, bargains which fall within these limits will be published promptly, while details of larger deals will be delayed.

By these means the Exchange hopes to maintain the commitment of the large securities firms to the central equity market. It fears that more stringent rules would undermine their position and drive business from the market.

In a further move to draw more business to the market, the Elwes committee will recommend a new dealing system for small bargains – a new "green strip" on SEAQ screens, on which will appear the best price quoted by any firm for small transactions in a particular stock.

This is likely to be keener than the current "yellow strip" price for large bargains, and so would offer small investors a better deal.

In an important move, members of the Exchange would be required to *route bargains to* the firm offering the "green strip" price, rather than simply matching it themselves.

The committee believes this will mean that the firm that quotes the best price will win the business, and so should encourage keener quotes.

MANAGEMENT

The conclusion of a series on British Aerospace examines its car and other diversifications

Honda's backroom role in fly-drive synergy

Kevin Done assesses the contribution of Rover and its partner

By now Lord Young, the former UK Secretary of State for Trade and Industry, is probably in a minority of one in seeking to maintain the argument that British Aerospace acquired Rover, the UK's leading car maker, in 1988, at *anything* but a give-away price.

The deal was a "triumph . . . the deal of the decade," he insisted last month. "There is *not one term* we could have bettered."

The National Audit Office, the House of Commons watchdog on the financial performance of government departments, on the other hand, believes that BAe acquired Rover at a bargain-basement price. "The sale price of £150m fell significantly short of the real value of the company," it claims.

The controversial Rover acquisition has helped dramatically to reduce *BAe's reliance on defence. However,* many people have questioned whether the purchase of the previously ailing state-owned car maker was the best way for it to move from slowing defence markets into higher growth civilian markets. Has Rover's contribution been worth all the trouble?

Judgment of the terms of the deal is *complicated*, but hindsight has provided some illumination and has shown that in the short-term, at least, Roland Smith, the BAe chairman, brought off a considerable financial coup, the dimensions of which were far from clear when he stunned the financial markets with his move on Rover in early 1988.

Early talk about the potential synergies between the automotive and aerospace industries, on the other hand, has greatly subsided. Certainly, study groups have been set up between the two groups to assess very long-term mutual benefits that may be derived in areas such as electronics and advanced materials.

Rover is also passing on management lessons it is learning from Honda of Japan in areas such as minimum inventory controls and there is the start of a flow of managers between Rover and BAe. But Rover's success or failure in the 1990s will hinge on none of this. It will depend on whether it can engineer the sort of product-led recovery that has so completely eluded it in the past two decades.

Most immediately the Rover acquisition has greatly increased BAe's asset base and has almost doubled its turnover.

The assets are clearly not hugely profitable. There was an almost uninterrupted history of chronic losses, but the old British Leyland empire had been ruthlessly pruned, and the Rover Group management, BAe itself, and the Government all believed in 1988 that the business would be profitable in both the short and medium-term. And, of course, BAe paid next to nothing for it, or was paid to take it away.

Rover's survival will depend on a new generation of products which includes the Land Rover Discovery

BAe acquired Rover largely debt-free after the Government had pumped in £547m. BAe also gained further financial concessions variously valued at up to £38m, plus tax concessions, the final value of which remains unclear.

Certainly BAe was pleased with the terms of the deal based on its own valuation of the assets. Its 1988 balance sheet revealed a capital reserve of £894m, an increase from £65m in 1987, the increase of £829m "arising *from acquisitions*", *chiefly the Rover* Group.

Furthermore, it has since recouped a large part of the £150m acquisition price, which in any case it has still not paid and will not pay until the end of March 1990, a concession valued at £22m. It has sold off certain Rover stakes in non-core businesses, raising £126m from *DAF and Istel* alone.

Smith insists that BAe was not buying Rover "for tax benefits or property; you don't build a business on tax, you build it on products and people. The main thrust of our interest is product. We are buying the cars and the technology."

As a key condition in the purchase BAe took over responsibility for Rover's five-year corporate plan and the car maker's intention to invest £1.2bn in the business in the five years 1988-92. By the end of 1989 some £504m had been spent. Sir Graham Day, Rover Group chairman and BAe board member, says the issue at Rover is not its improving profits per *se, but cash.* "Can the *business* generate enough cash to make the investments to generate the profit?"

Rover profits last year were far better than BAe had expected when it began negotiating for the takeover in early 1988, but there is still a yawning gap between its financial performance and that of its bigger rivals. Most European volume car makers have been enjoying record profits in 1988 and 1989 buoyed up by very strong demand.

For BAe one of the most crucial attractions of the Rover deal was the car maker's burgeoning relationship with Honda of Japan. "We would not have done this deal without Honda," says Smith. "We are linking with the most significant car manufacturing business in the world." The hope is that the transfer of management techniques from Honda to Rover can also be extended to BAe itself.

Despite the hyperbole it is clear that Honda has played a vital role in enabling Rover to survive over the past decade, by providing it with *resources to plug gaping* holes in its product line-up. The relationship will be formalised shortly, when Honda takes a 20 per cent equity stake in the Rover car and Land Rover four-wheel-drive vehicle businesses. In return Rover will gain a 20 per cent stake in Honda's UK manufacturing operations.

George Simpson, Rover managing director and recently appointed to the BAe board, says that the Honda link gives Rover "a position in the global motor industry we could not command if we stood alone. It gives access to up-to-date technology in both management and in products."

The latest product of the Honda collaboration, the new generation Rover 200/Honda Concerto was unveiled in Europe in late autumn last year. Honda project management techniques have played a key role in Rover's ability to launch the car at its Longbridge, Birmingham, assembly plant "with obvious in-built quality from day one that in the past *BL* has had great problems in doing. We have adopted many Honda technologies in bringing this car to market," he says.

The new generation Rover 200/400 range, the associated K-Series engine, a revamped Metro small car to be launched in late spring, and the Land Rover Discovery introduced late last year together represent an unprecedented new product offensive for the Rover Group, which will largely determine its fortunes in the European market in the early years of the 1990s.

Lacking any stimulus from new products for most of 1989, Rover's car sales had continued to slump.

Sir Graham Day insists repeatedly that it is profitability and not market share that is Rover's main priority, but Simpson admits that "there is a volume in the UK below which one has to consider the distribution structure."

Rover has suffered enormous car sales problems too in the US, but Simpson insists that the company remains committed to the US car market. Rover can also point by contrast to the US success story of its Land Rover subsidiary, where sales of the *Range Rover, the luxury* four-wheel drive leisure /utility vehicle, jumped last year by 41 per cent. The company is also opening up new markets for the Range Rover in Japan and in Canada.

"To be successful we do have to sell 500-600,000 vehicles a year worldwide, but rather than increasing our UK market share we would see more of that number going into continental European markets," says Simpson.

Rather than sales volumes, Sir Graham Day prefers to point to the "significant" change in the group's sales profile which now includes a larger percentage of cars with greater added value. Rover's biggest car sales success last year was its 30-year-old Mini, however.

"In our current phase we still have some products competing head-on with *those of volume producers.* That is not, repeat not, part of our medium-term strategy," he said recently. "If our strategy proves correct, we will find that as Rover progressively changes, our product will also change and move into higher specified sectors of the market. That is the only route for us to take if we are to improve our profitability."

According to Sir Graham, the turnround cycle at Rover will be 7-10 years starting from the autumn of 1986.

Previous articles in this series appeared on January 29 and 31.

Watch this space

Conglomerates have hardly been the most fashionable flavour of the past decade. Yet British Aerospace, with its interests in *defence, satellites,* civil aviation, cars, and property development, among others, appears to have assembled *the requisite* components to qualify for that description.

It is one to which John Holt, managing director of BAe Space Systems, objects. Conglomerates tend to be hulking, inflexible and without internal logic. He argues that the company, far from conforming to this stereotype, is proving that it is flexible enough to diversify away from military activities towards high growth, *non-defence sectors, using its* technology and expertise to create new applications.

As an example, Holt points to the decision by BAe to move into the field of Personal Communications Networks (PCNs). These will provide cheap mobile communications for *the mass market, allowing* customers to make and receive calls anywhere in the country.

This entry into PCN will be a considerable gamble for a company with little experience of consumer electronics and telecommunications markets. The art of signing long-term arms contracts with a handful of governments is not the same as selling consumer gadgets on the high street.

The diversification into PCNs hinges on the company's experience in both satellites and space. The world's space industry is highly competitive at the moment, so BAe has done well to win a number of satellite contracts from NATO and Inmarsat, the international maritime satellite communications organisation.

The move into PCNs provides the company with an opportunity, it believes, to enter a market which *should* grow rapidly during the 1990s. BAe hopes to become a service provider in the UK and compete with British Telecom and Mercury Communications when the duopoly comes to an end, which is scheduled for December this year.

The company also expects to be able to exploit its PCN technology within the UK, in Eastern Europe, on the continent *as the PTTs are deregulated,* and in developing countries where there is demand for telecommunications but where the cost of laying wire between far-flung towns remains prohibitive.

"BAe Space Systems is a highly flexible division, looking ahead all the time," says Holt. "In some respects, *that is because of the market* in which we operate. Space is uncertain. We have to take a pragmatic approach, keeping all the options *open, listening* to the customer."

He argues that this attitude provided the vision for BAe Space Systems to realise the potential of PCNs. He believes they could change the way that people view telecommunications – not in terms of location-to-location, but of person-to-person.

However, in finding other sectors into which to diversify, *BAe has been a little slower* off the mark. Raymond Mould, deputy chairman and chief executive of Arlington Securities, the property development company bought by BAe last August, admits that BAe entered the commercial development market as it was entering a downturn. *Nobody* is suggesting that 1990 is going to be a particularly exciting year, he says.

He argues, nevertheless, that in other respects the company has been far-sighted. BAe recognised the value of its original landbank and that of the properties provided by the controversial purchases of Rover and Royal Ordnance. In total, the company owns 35,000 acres. Rather than selling sites to the highest bidder as have other companies, such as British Gas, BAe decided that by buying Arlington it could develop the sites on its own account. Arlington hopes to increase its turnover by £200m over the next two years, from around £70m in 1988.

To offset any over-dependence on the UK market, Arlington is being encouraged by BAe to participate in the group's internationalisation by exploring overseas markets. It is already developing a business park in Calais.

These telecommunications, space and property businesses are intended to provide BAe with a stream of revenue in the mid- to late-1990s when defence spending could begin to fall steeply. A slip up in the next couple of years would not have a severe impact on the company immediately but it could cast a shadow over its longer term prospects.

Paul Abrahams

THE PROPERTY MARKET

Another kind of airport ground control

By Paul Cheeseright

Although Gordon Edington is an important figure in BAA's development, he is not the man to blame when things get rough at Terminal Four of Heathrow Airport or when the queues seem unending at Gatwick. BAA, once known as the British Airports Authority, has an estates division for that.

Mr Edington, rather, is the managing director of Lynton, bought by BAA in 1988 for £220m. And Lynton has a threefold role. First, to make efficient use of BAA's airport land which may already be partially developed. Second, to exploit surplus land at BAA's seven airports. Third, to run the Lynton business along lines established before the takeover; that is, property development off an investment base. It is a double-headed company: airport and non-airport property.

Now that the property industry is running into one of its gloomy periods, the umbrella of a major corporation is an attractive shelter.

The operations which Lynton undertakes are not quite, but nearly, impervious to the cycles of the property industry: the aviation industry has its own momentum.

And, for Lynton's activities outside the airports, the parent company provides a comfortable backstop. Lynton is one step removed from the capital markets. It obtains money for development through the BAA treasury. Given that BAA is seen as a top class borrower, and in any case has a modest gearing of around 30 per cent, Lynton gets relatively cheap money. Mr Edington estimated that borrowing is one percentage point cheaper than it would otherwise be.

But Lynton in its pre-takeover days was never a racy spender on sites. Its landbank now is the BAA landbank. So it is not sitting on sites which simply drain away funds. "If values have dropped it has clearly been on sites," said Mr Edington.

This financial strength puts Lynton in the position where over the next two or three years it can make acquisitions from companies forced to sell. Meanwhile, it has not delayed any of its own projects – the largest of which are in central London, just outside Birmingham and New York – despite the changes in the market.

"At the moment we have perceived a lack of confidence in the market place. There are a fair number of enquiries, but conversion of that into leases has dropped off," said Mr Edington.

But, as the chart shows, Lynton has an investment portfolio which produces a steady stream of rental income. Yet for BAA, in the longer run, income from the investment properties and from development and trading profits is probably less important than the effect Lynton can have on the BAA balance sheet.

In the latest annual figures for 1988-89, BAA as a whole had pre-tax profits of £198m and Lynton pre-tax profits of £8.1m. The numbers will change, but Mr Edington expects the proportions to remain the same.

In March 1989, Lynton's asset base was £378.5m of investment properties and that figure included properties which had been passed into its account by the parent – mainly hotels and land. To put this into perspective, BAA valued its airport assets at £1.6bn. In the current year, given the state of the market, the Lynton total is likely to increase only slightly. BAA this year is revaluing its operational assets like terminals, runways and so on.

The combination of the BAA revaluation and the effect of the market on the Lynton portfolio means that the proportionate Lynton contribution to the BAA balance sheet in the immediate future is unclear. But over the longer term Lynton's activities both on and off airport lands should have an appreciable effect.

When Lynton moved in under the BAA wing, BAA transferred to it some £100m of land. This land was the basis of the original planning Lynton undertook on how best to exploit it. But that exercise revealed that BAA also had other land which could be more intensively managed – land, for example, which had been ground leased to airlines needing support facilities but where only there was low density building.

At Heathrow Airport there is some 20 acres capable of immediate development and more later on, once sites have been unlocked; that is when Lynton has reached agreement with existing land users on the costs and benefits of putting holdings to a more intensive use.

At Gatwick Airport there is about 50 acres ready for use, suitable mainly for warehousing, in contrast to Heathrow where future developments are likely to be of general (B1) business space.

But Stansted, with 600 acres suitable for development and a new terminal ready for completion in March 1991, is the airport which offers Lynton the most obvious possibilities for development on a large scale. This will go ahead down two tracks. First, the provision of office buildings – and 100,000 square feet of accommodation is so far under construction. Second, the provision of warehousing and industrial space related to aviation uses.

Stansted is not quite a developer's dream, however. Lynton cannot allow imagination free rein. The planners of the Uttlesford District Council, into whose jurisdiction Stansted falls, are anxious that only air-related development should take place at the airport.

But Lynton's exclusive position is maintained because the authority planners are equally anxious to resist any speculative property development outside the airport.

The four Scottish airports offer only limited possibilities. Opportunities for development are sparse at Aberdeen and Prestwick. They exist at Edinburgh for offices and warehouses, but only on a limited scale. Glasgow, given some expansion from an eventual opening to international traffic, is likely to want more back-up facilities. It is here that Lynton is likely to be most active. But there is no shortage of land at any of the Scottish airports.

Development on airport land is a delicate matter. BAA's main business, obviously, is to have its airports running smoothly: it has the Office of Fair Trading watching it does that without abusing its monopoly position.

From this it follows that the Lynton role in making more efficient use of airport land has to be subordinate to the general aim of BAA's main line of business.

Thus, if a building is needed to bolster airport services – additional flight catering facilities, for example – then it will have to be built regardless of the developer's usual margin.

This is not to say that Lynton will not expect a return on buildings constructed for airport use. But it is to say that it is forced to approach its airport-related property business in a different way from its developments elsewhere.

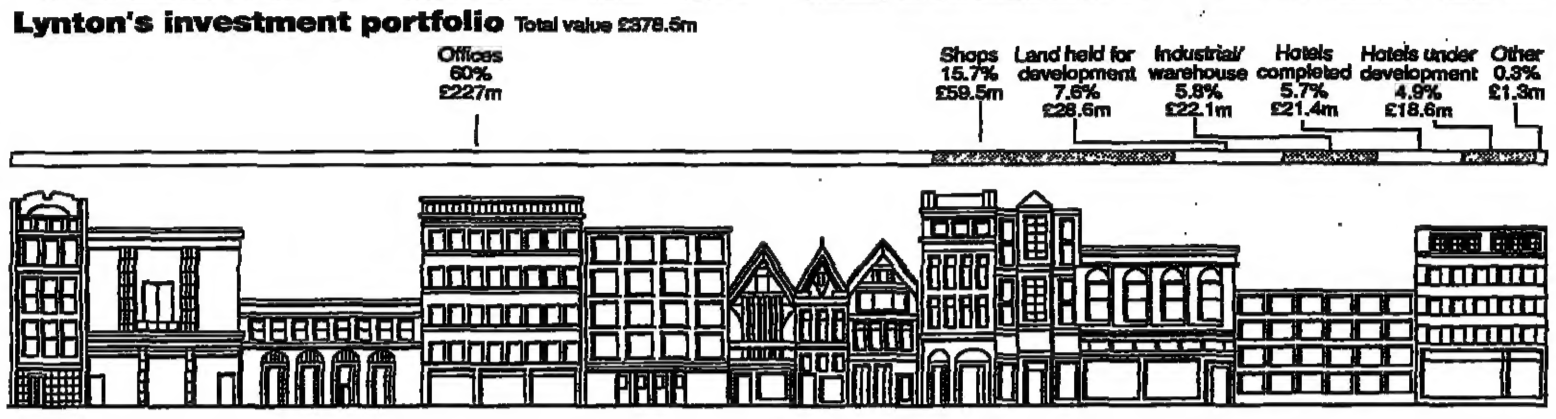
Lynton, like most other developers looks for a margin of about 20 per cent on its non-airport activities. Such a figure tends to be reduced when there is the security of a pre-let, and in the case of airport-related projects this will often be the case, because building will take place in response to demand.

Total Returns (%)

	Retail	Offices	Industrial	All property
Year to December 89	8.6	21.1	29.3	16.8
Quarter to December 89	−0.7	2.4	4.2	1.5
Month of December 89	−0.6	0.6	1.3	0.2

Source: Investment Property Databank

Lynton's investment portfolio Total value £378.5m



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FT LAW REPORTS

Drug licensee may prove safety in overdose

RE ORGANON LABORATORIES LTD
Court of Appeal (Lord Justice Mustill, Lord Justice Russell and Lord Justice Stuart-Smith): January 30 1990

THE HOLDER of a DHSS licence to sell a medicinal product who opposes its variation by the licensing authority, may produce evidence of its safety in overdose to support his assertion that it can "safely be administered" under UK law in that the degree of adverse effect is acceptable against benefit; and the authority, because of government failure to incorporate EC directive requirements based on "normal use" into UK law, cannot reject the evidence on the ground that it is irrelevant under EC law.

The Court of Appeal so held when dismissing an appeal by the Department of Health and Social Security from a Divisional Court judgment quashing its decision to vary the provisions of product licences issued to Organon laboratories Ltd.

LORD JUSTICE MUSTILL said that during 1976 the Department of Health and Social Security licensed Organon to sell and supply a proprietary anti-depression medicine named Bolvidon and its active ingredient, mianserin.

Sections 19, 20 and 28 of the Medicines Act 1968 required that the licensing authority should have regard to the safety of a product when deciding whether to grant, suspend, revoke or vary a licence.

Recently new data gave reason for concern about the association between mianserin therapy and haemotological disorders, especially with regard to patients over 65. The Committee on Safety in Medicine concluded provisionally that the use of mianserin in that age group should be restricted.

The conclusion was notified to the company, which exercised its right to make representations to the committee and then to the Medicines Commission.

Various reasons were advanced as to why the provisional conclusion should not be affirmed. There was one to which the company attached great weight and which it desired to support by evidence – namely that mianserin had low toxity when taken in excessive quantities.

The committee and the commission took legal advice in advance of the oral hearings. The advice, which was based on section 28(3)(g) of the 1968 Act and EC directive 65/65 on Approximation of Medical Products, was to the effect that safety in overdose was not a relevant factor in assessing the safety or harmfulness of a drug. Accordingly both the committee and the commission excluded the evidence from the hearings.

Taking the advice of both tribunals the authority decided to vary the licences with effect from January 1 1989. On the company's application the Divisional Court held exclusion of the evidence was a misdirection, and quashed the decision. The licensing authority now appealed.

The company contended that by shutting out the evidence the two tribunals, and the licensing authority which adopted their advice, inappositely narrowed their field of enquiry and unbalanced the exercise of the discretion to vary the licences. The authority maintained that the advice given to the tribunals and their conduct was right, and that the original decision should be restored.

By article 189 of the Treaty of Rome an EC directive "shall be binding as to the result to be achieved, upon each member state . . . but shall leave to the national authorities the choice of form and methods".

Article 11 of Directive 65/65 provided that the competent authorities should suspend or revoke a medicinal product licence where the product proved to be "harmful in the normal conditions of use"

When the directive was promulgated the UK had not yet become a member of the EC and the 1968 Act had not been enacted. By the European Communities Act 1972 all obligations arising under the treaties were to be recognised and available in law.

There were at least four areas of potential conflict between the directive and the 1968 Act.

First, though both contemplated a risk/benefit analysis, they differed in that under the directive its outcome was conclusive whereas sections 19, 20 and 28 of the Act left scope for discretion. Second, whereas section 28 empowered the authority to suspend, revoke or vary a licence, article 11 contemplated only suspension or revocation. Third, the criteria which determined whether the licence should be suspended or revoked under article 11 were the same as those for the initial grant(article 5), whereas under the Act the facts relevant to the existence and exercise of the discretions conferred by sections 19 and 20 on the one hand and section 28 on the other were not the same. Fourth, the references to safety were differently expressed in the directive and the Act.

The scheme of the two enactments was not the same. It therefore seemed plain that the UK was in breach of its treaty obligation to harmonise the law on medicinal product licences on the lines of directive 65/65.

For the licensing authority it was said that irrespective of UK legislation, it was bound to honour the treaty obligation imposed on the state by the directive.

For the company it was disputed that the state could rely on the directive as against individuals or corporations where it had failed in its duty to carry it into local law. It was asserted that the company was entitled to the best of both worlds. If the relevant UK legislation best suited its case it need look no further. But if the directive yielded a more favourable result, it might rely on that instead of the Act, although the state might not do so, being in breach of its EC obligations.

The company was content to found upon the Act.

There were two distinct strands of authority enabling directives, though not directly enforceable if unenacted, to be given a measure of effect by the English court.

The first required the court to construe UK legislation so far as possible to accord with any directive on which it was based (see *Garland [1983] 2 AC 751*). The parties agreed that principle did not apply in the present case.

The second precluded the state from relying as against an individual on a directive which it should have but had not put into legislative effect (see *Becker [1982] ER 53* and *Marshall [1986] 1 QB 401*).

The cases showed plainly that the principle operated in one direction only. It inhibited the state, but gave no rights against the individual. The doctrine plainly hinged on the fact that the state was, in the Community sense, a wrongdoer. The reasoning could not be turned the other way round, for the individual was not in default.

Both the theoretical underpinnings of the principle and the decisions of the European Court made it clear that an un-enacted directive did not impinge on the right of the individual to rely on domestic legislation if that suited his purpose.

Section 28(3)(g) of the Act provided that the authority could vary the provisions of a licence where the medicine could no longer "safely be administered for the purposes indicated in the licence."

The first question was what were "the purposes indicated in the licence." The obvious place to look for an answer was in the licences themselves. There was no reference to purpose. Instead there was a marginal reference to "use", against which was written "symptoms of depressive illness." Presumably that meant the indicated purpose was the relief or alleviation of symptoms of depressive illness.

Accordingly, one must ask what test was to be applied when deciding whether mianserin could "safely" be "administered" for the purpose of alleviating symptoms of depression.

There was no absolute standard of safety. Very few drugs were entirely free from risk of side effects in some patients. The question must always be whether the degree of risk was sufficiently low to be acceptable, and that could not be addressed without an appreciation of the benefits to be gained from taking a risk of that degree. Safety did not involve an immutable standard.

"Appreciation" must also be read in context. Administering the drug for the purposes of alleviating the symptoms of depression could not be stretched to include taking of the drug for suicide purposes.

If the evidence in question had been admitted the decision would not inevitably have been the same. Accordingly, in agreement with the Divisional Court, it was held that the tribunals and the authority misdirected themselves as to the nature of the exercise demanded of them by the Act. The appeal was dismissed.

Lord Justice Russell and Lord Justice Stuart-Smith agreed.

For the authority: Richard McManus (Treasury Solicitor, DHSS)
For the company: Ronald Walker QC and Alexander Hill-Smith (Waltons & Morse)

Rachel Davies
Barrister

ARTS

Arts Week

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EXHIBITIONS

London

The Royal Academy: Frans Hals – the great retrospective, already shown in Washington and due to go on to Haarlem, of the work of one of the greatest painters of the 17th century Dutch school. Master of the portrait, he was all but forgotten for 200 years after his death in 1666, and he remains an enigmatic and controversial figure.

The Royal Academy. Inigo Jones, Architect – a full study and exquisite show of the intimate drawings and designs of the greatest of British architects, only excepting Sir Christopher Wren. Jones was architect to James I and Charles I, and Greenwich Hospital, St Pauls' in Covent Garden and the Banqueting House in Whitehall remain to us as his masterpieces. Daily until February 25, except bank holidays.

Paris

The Louvre. The landscape in Europe from the 16th to the 18th century. The exhibition of some 150 drawings by Rubens, Brueghel, Poussin, Rembrandt and others retraces the development of two different conceptions of landscape representation with the scientific treatment of perspective favoured in Italy and the more atmospheric one prevalent in the northern countries. Pavillon de Flore. Closed Tues, ends April 23 (40205151).
Musée d'Art Moderne de la Ville de Paris. Kupka (1871-1957) or The Invention of Abstraction. The subtitle of the vast retrospective sums up the progress of the Czech-born artist from Vienna-inspired symbolism to non-figurative canvases where glorious colours acquire a life of their own. 11 Avenue President Wilson, closed Mon, ends Feb 25 (47236127).
Musée Carnavalet. Paris in daguerrotypes celebrates the 150th anniversary of the birth of photography with an exhibition of some 150 old daguerrotypes completed by 30 modern ones. 31, rue des Francs-Bourgeois, closed Mon, ends Feb 28.
Institut du Monde Arabe. Egypt-Egypt. An exhibition of 26 chef-d'oeuvres, including the most recent finds, starts with statues and bas-reliefs dating from the middle-empire, continues with a golden crown of a high priest of Osiris with some elements of Roman art and Coptic icons and concludes with Islamic exhibits. 1, rue des Fosses-Saint-Bernard (closed Mon). Ends March 18 (40513838).
The Louvre and the Chateau de Versailles. David. A retrospective consisting of 84 paintings and 165 drawings is held simultaneously in the Louvre and in the Chateau de Versailles. It retraces the artistic development of the founder of neo-classicism who, cutting free from rococo's frivolities, preaches the Roman republic's rigorous virtues in The Oath of the Horatii and in The Lictors returning to Brutus the bodies of his sons. Louvre closed Tue, Chateau de Versailles closed Mon, both exhibitions end Feb 12.

Brussels

Galerie Isy Brachot, 62a Avenue Louise, works of Joseph Buys. Closed Monday, ends Feb 17.
Musées Royaux des Beaux-Arts. Seventeenth century flower paintings; a selection from the museum's collection of Flemish and Dutch masters. Closed Monday; ends Feb.
Archives Générale du Royaume, Grand Sablon, commemorates Belgium's short-lived declaration of independence from the Austrian Empire and the subsequent power struggle between France and Austria for control of Belgium. Daily, closed Sunday; ends 31 March.

Rome

Villa Medici and Palazzo Degli Uffici. A homage to Andre Masson: over 350 works by the French surrealist painter spread inconveniently over two sites, connected by a half-hourly bus. Ends Feb 15.
Galleria Nazionale D'arte Moderna. Jean Dubuffet. Immensely enjoyable exhibition which includes drawings, paintings and sculpture from the Twenties up to the last works of the early Eighties, with salient and illuminating quotations from Dubuffet's writings. Ends Feb 25.

Milan

Castello Sforzesco. Henry Moore retrospective. 49 sculptures covering the years 1938-1983, the larger of which are seen to excellent effect in the courtyard of the 15th century castle, while the smaller bronzes, preparatory studies and drawings are shown inside, in the beautifully lit Sala Viscontea. Ends March 25.
Palazzo Reale. Fernand Leger retrospective: includes over 150 works – paintings, watercolours as well as book illustrations. Ends Feb 18.

Madrid

Centro de Arte Reina Sofia. Antonio Saura. 70 works by the Spanish artist painted between 1956 and 1985. The exhibition focuses on four themes: Ladies, Crucifixions, Goya's dogs and Multitudes. Ends March 19.
Palacio de Velazquez. Art in Latin America. The exhibition analyses the sources and development of art in Central and South America, from the wars of independence through to the present day. Ends March 4.
Fundacion Juan March. Ian Woodner collection of works by Odilon Redon consisting of some 100 works in various media, illustrating the different aspects of the French symbolist painter's work. Ends April 1.
Museo del Prado. Following the highly successful Velazquez exhibition at the Metropolitan, the Prado is now host to the largest show to date of works by the great 17th century artist. Fifty of the 80 paintings at the exhibition belong to the Prado, the rest have been borrowed from various collections around the world and in some cases are being shown in Spain for the first time. Ends March 15.

Barcelona

Palau de la Virreina. Meret Oppenheim (1923-1983). Retrospective exhibition. Some 130 works by the German surrealist artist including paintings, sculptures, drawings, objects, collages. Ends March 25.

Frankfurt

Schirn Kunsthalle, Am Römerberg 6. The Surrealists. Around 600 paintings, drawings, photos and objects are on display with works by Masson, Tanguy, Man Ray, Tanning and Ernst. Until Feb 18.

Bremen

Kunsthalle, am wall 207. Gotthard Graubner: Painting on paper. 130 watercolours, gouaches and pictures with a mixture of technique by the 59-year-old artist are exhibited until Feb 18.

Hamburg

Kunsthalle Glockengiesserwall. Ian Hamilton Finlay with works from the French Revolution. Ten of the Scottish painter's projects including reliefs and 40 graphic works are on show until Feb 28.

Hanover

Sprengel Museum, Kurt-Schiwtters-Platz. Der blaue Reiter (The Blue Horse). This museum is displaying around 61 pieces from its own collections as well as some additional paintings on loan from East Germany and by other artists who belonged to the same Munich-based group. Works by Wassily Kandinsky, Franz Marc, August Macke, Alexej von Jawlensky, Gabriele Münter and Marianne von Werfekin can be seen until Feb 11.
Kestner-Gesellschaft, Warmbüchenstrasse 16. A retrospective of the Spanish painter Joan Miro (1893-1983), with around 120 works on loan from Spain. Ends Feb 19.

Cologne

Museum Ludwig, Bischofsgartenstrasse 1. The most comprehensive retrospective on Andy Warhol, who died in 1987, with around 160 pieces from New York. They can be seen only in Cologne until Feb 11. The retrospective includes works from the 1940s and 1950s as well as his famous portraits of Elvis Presley, Marilyn Monroe, Warren Beatty, and paintings based on advertisements.

Munich

Städtische Galerie im Lehnbachhaus. The most complete retrospective of the expressionist painter Karl Schmidt-Rottluff to date with almost 370 works from 70 private and public collections. After the Kirchner and Heckel exhibitions, this is the third significant project from one of the founding members of the Brücke group. Schmidt-Rottluff, who died in Berlin in 1976, was strongly attacked during the Nazi years.

Vienna

The Kunsterlaus is host to Mercury and the Muses, a vast collection of artifacts, documents and objects from Leipzig, on display for the first time. The collection, ranging over four millennia, contains treasures from Ancient Egypt, Greece and Rome. The exhibition also contains European painting from the middle ages to the 19th century, including works by Caspar David Friedrich. Ends Feb 18.

New York

Pierpont Morgan Library. The library's superb collection on Gilbert and Sullivan, including autograph scores and libretti, letters and memorabilia, is the centrepiece of this exhibit, the most comprehensive ever mounted on the Vicortian operetta masters with more than 400 items on view. Ends Feb 18.
New York Public Library. More than 125 documents of the Abolitionist Movement, including photographs, letters and rare books, display the spirit and drive of the long effort to free the slaves. Ends Sept 15.

Washington

National Gallery. Highlighting this decade's renewed interest in printmaking in America, the 100 prints comprise a special exhibit borrowed from the collection of Joshua P. Smith, among them works from major contemporary artists including Jasper Johns, Richard Diebenkorn and Alex Katz. Ends April 8.

Tokyo

Sezon Museum of Art, Ikebukuro. Andrew Wyeth: Helga. A selection from the many paintings and sketches Wyeth made of his favourite model over a 15 year period and not revealed to the world until 1986. A secret obsession or commercial ruse?
Tobacco and Salt Museum, Shibuya. The Way to Narita. Not Tokyo's international airport, but the nearby Shinsoji Temple, a major destination for pilgrims

OPERA AND BALLET

London

Royal Opera, Covent Garden. The long-awaited new production of Borodin's *Prince Igor* by Andrei Serban is a collaboration of the Royal Opera and Ballet, conducted by Bernard Haitink, and features a splendid cast of Eastern European principals: Sergey Leiferkus in the title role, Anna Tomowa-Sintow, Elena Zaremba, Alexey Steblyanko, Nicola Ghiuselev, and Paata Burchuladze.
The Royal Ballet at Covent Garden performs its cluttered *Swan Lake* on Fri, Sat and Tues.
English National Opera, Coliseum. David Pountney's curious *Traviata* production (this is the one with the cornfield on stage in Act 1) returns with Helen Field in the title role, and Alan Opie and Edmund Barham as the Germonts. The company undertakes a Berlioz rarity, *Beatrice and Benedict*, his late, ravishingly beautiful version of *Much Ado about Nothing*, produced by Tim Albery, conducted by Mark Elder, and with Ann Murray, Philip Langridge in the title roles. Further performances of *Faust*, in Ian Judge's deft, fast-moving, extremely successful production (using the original spoken dialogue).

Paris

Théâtre des Champs Elysées. European 18th century baroque operas conducted by Rene Clemencic. *Testoride Argonauta* (1780) a two-act opera from Portugal in the Gulbenkian Foundation Production (Mon). *Dafne in Lauro* (1714) a two-act opera from Austria in concert version (Thur). *L'Olimpiade* (1734) a three-act opera from Italy in concert version (Sat). (47203637).

Amsterdam

Nederlands Dans Theater in Jiri Kylian's *Tantz-Schul* to music by Mauricio Kagel (Fri). A new production of Mozart's *Cosi fan tutte* from the Netherlands Opera, directed by Jürgen Flimm, with the Royal Concertgebouw Orchestra conducted by Niklolaus Harnoncourt; Charlotte Margiono (Fiordiligi), Laurence Dale (Ferrando), Gilles Cachemaille (Guglielmo) and Iris Vermillion (Dorabella) (Mon, Wed). Muziektheater (255 455).

Barcelona

Gran Teatre del Liceu. *Elektra* by Richard Strauss, produced by the Royal Théâtre de la Monnaie and Opera National Bruxelles, with Eva Marton in the title role and conducted by Uwe Mund (318 92 77).

Brussels

Forest National. The Bolshoi Ballet and Orchestra conducted by Alexander Kopylov in *Giselle* choreographed by Yuri Grigorovitch with Natalia Bessmertnova and Irek Mokhamedov.
Palais des Beaux-Arts. Dancers from the Bolshoi and La Scala di Milan perform Tchaikovsky's *Nutcracker* suite.
Cirque Royal. Die Wiener Operetten Theater in Strauss's *Die Fledermaus* staged by Zdenko von Kosdak and conducted by Theo Mohrens.

Antwerp

Koninklijke Vlaamse Opera. The Royal Flanders Opera in Haydn's *L'infedelta Delusa*. Sigiswald Kuijken conducts La Petite Bande Orchestra, staged by Philippe Lenael.

Vienna

Staatsoper. *Jenufa* by L Janacek. *La Traviata* by Verdi. *Le Nozze di Figaro* by Mozart. Ballet: *Verklaerte Nacht* by Schoenberg. *Wiegenlied* by Albin Berg. *Les Noces* by Stravinsky.
Volksoper. *Die Zigeunerbaron* by Johann Strauss. *Kiss me Kate* by Cole Porter. *Cosi fan Tutte* by Mozart. *Mignon* by A. Thomas. *Hoffmanns Erzaehungen* by Offenbach. *Die Zirkusprinzessin* by Emmerich Kalman. *Die Lustige Witwe* by Lehar.

Berlin

Opera. *La traviata* returns with Julia Varady, Marcia Bellamy, Fernando de la Mora and George Fortune. *Fidelio* in Jean-Pierre Ponnelle's wonderful production with Janis Martin, Barbara Vogel, Gerd Feldhoff and Spas Wenkoff. *Der Troubadour* features Sharon Sweet, Ruth Hesse and Corneliu Murgu. *Der Nussknacker* has Rudolf Nureyev choreography.

Hamburg

Opera. *Der fliegende Holländer* is sung by Simon Estes, brilliant in the title role. *Othello* has a strong cast led by Wladimir Atlantow, Sharon Sweet, Franz Grundheber and Heinz Kruse. *Idomeneo* under the superb musical direction of Gerd Albrecht with Josef Protschka, Roberta Alexander, Joanna Kozlowska, Kurt Streit and Ning Liang.

Cologne

Opera. *Die Fledermaus* is a well done repertoire performance with Josef Protschka, Alfred Kuhn, Gabriele Fontana.

Bonn

Opera. The successful Youri Vamos' *Spartakus* ballet, offered for the last time this season.

Frankfurt

Opera. *Der Zigeunerbaron* features Adalbert Waller, Carlos Krause, Barbara Fuchs, Sona Cervena and Eliane Coelho. *Parallax* is jointly choreographed by William Forsythe, Susan Marshall and Amanda Miller, danced to music by Bill Frisell, Beethoven and Gavin Bryars. *Iphigenie en Tauride* by Glück is produced by Patrice Caurier and Moshe Leiser, with Helena Doese, Keith Lewis, Francois le Roux and Gregory Yurisich. William Forsythe's ballet *Artifact* rounds off the week.

Munich

Opera. This week's highlight is *Fidelio* starring Hildegard Behrens, Theo Adam and Rene Kollo, conducted by Hans-Martin Schneidt. Further performances of *Die Fledermaus* in Otto Schenk's traditional production. Two ballet evenings: *La Sylphide* choreographed by Auguste Bournonville and *Onegin* by John Cranko.

New York

Metropolitan Opera. The seasonal premiere of *Il Trovatore* features Metropolitan debuts of Susan Dunn as Leonora, Lajos Miller as Count di Luna and conductor Rico Saccani; the cast also includes Dolora Zajick as Azucena and Ermanno Mauro as Manrico. Harold Prince's production of *Faust*, conducted by Charles Dutoit, continues. Lincoln Center Opera House (362 6000).
Les Ballets Trockadero de Monte Carlo. The first New York performances in seven years of the transvestite satiric company include the world premiere of *Black Swan* in the three mixed programmes City Centre, 55th E. of 7th Av (246 0102)
New York City Ballet. The mixed repertory continues with performances of Donizetti *Variations*, *Coppelia* and *La Source*. New York State Theatre, Lincoln Center (870 5570).

MUSIC

London

National Symphony Orchestra conducted by Stanley Black. Rossini, Berlioz and Tchaikovsky (Sat). Barbican Centre (638 8891).
London Philharmonic Orchestra conducted by Kurt Masur. Schumann, Debussy (Sun). Royal Festival Hall, South Bank Centre (928 8800).
Nigel Hutchison (piano). Prokofiev, Debussy, Chopin (Tues). Purcell Room, South Bank Centre (928 8800).

Paris

Trio Tchaikovsky (Mon). Salle Gaveau (45632030).
Orchestre Colonne conducted by Philippe Entremont, Karen Adam (violin), Gary Hoffman (cello). Brahms, Boulez, Debussy (Mon). Salle Pleyel (45638873).
Orchestre de Paris And Ensemble Intercontemporain conducted by Pierre Boulez. Varese, Dalbavie, Bartok (Wed, Thur). Salle Pleyel(45630796).
Orchestre National de France. Levinas, Schnittke, Bartok (Thur). Radio France, Grand Auditorium (42301516).

Brussels

Royal Flanders Philharmonic Orchestra conducted by Gunter Neuhold with Cristina Ortiz (piano). Beethoven, Laporte and Schumann. Palais des Beaux-Arts (Sun).
London Symphony Orchestra conducted by Michael Tilson Thomas plays Berlioz,Ives and Mozart (Thurs). Palais des Beaux-Arts

Frankfurt

Frankfurt's Radio Orchestra conducted by Gerhard Schwarz with pianist Christian Zacharias. Aaron Copland, Beethoven, Webern and Mendelssohn (Wed Thurs). Alte Oper.

Munich

Heinrich Schiff (cello) and **Paul Gulda** (piano). Bach, Killmeyer and Beethoven. (Sat) Herkulessahl der Residenz.
Heinz Holliger and Ursula Holliger with the Wuerttemberg Chamber Orchestra under Joerg Faerber play works by Bach, Respighi, Handel and Lutoslawski (Sun). Philharmonie im Gasteig.
Hermann Prey lieder recital, accompanied by Hartmut Deutsch (piano). Schubert and Karl Loewe (Tues). Philharmonie im Gasteig.

Berlin

Berlin Philharmonic Orchestra under James Levine plays works by Smeterena (Sat, Sun); conducted by Zubin Methta and Midori (violin) with a Richard Strauss programme (Thurs). Philharmonie.

Amsterdam

Royal Concertgebouw Orchestra under Riccardo Chailly, with Leo van Doeselaar (organ). Stravinsky, Hindemith, Dvorak (Fri, Sun matinee). Concertgebouw (718 345).
Elly Ameling (soprano) accompanied by Rudolf Jansen. Schubert recital (Sat). Concertgebouw (718 345).
Krystian Zimerman (piano). Schubert, Litzt (Sun). Concertgebouw (718 345).
Netherlands Philharmonic with Frank Peter Zimmerman (violin), Harmut Haenchen conducting. Berg, Bruckner (Tue, Wed). Concertgebouw (718 345).
Royal Concertgebouw Orchestra conducted by Riccardo Chailly, with Ronald Brautigam (piano and harpsichord), Viktor Liberman and Jaap van Zweden (violins), Araxia Davtian (soprano) and Artur Eisen (bass). Stravinsky, Schnittke, Shostakovitch (Thur). Concergebouw. (718 345).

Utrecht

Netherlands Philharmonic with vocalists, Harmut Haenchen conducting. Mahler, Zemlinsky (Fri). Vredenburg. (31 45 44).
Radio Philharmonic under Kent Nagano, with Patrick Gallois (flute). Schumann, Reinecke, Prokofiev (Sat). Vredenburg. (31 45 44).

Barcelona

Colorado Quartet. Mozart, Bartok, Beethoven (Wed). Fundacion Caja de Pensiones (317 57 57).
Mikita Magaloff (piano). Scarlatti, Beethoven, Debussy,Stravinsky, Chopin (Thurs). Palau de la Musica Catalana(301 69 43).

Madrid

Spanish National Orchestra conducted by Ferdinand Leitner, with Andre Watts (piano). Brahms, Strauss.(Fri-Sun). Auditorio Nacional de Musica (337 01 00).
Moscow Virtuosi conducted by Vladimir Spivakov. Gubaidulina, Britten, Schubert (Fri). Bach (Sat) Auditorio Nacional de Musica (337 01 00).
Nikita Magaloff (piano). Scarlatti, Beethoven, Debussy, Stravinsky, Chopin (Tues). Auditorio Nacional de Musica (337 01 00).
Italian-Spanish festival Divertimento Ensemble de Milan conducted by Sandro Gorli. Bussotti, Marco, Gorli (Tues). Auditorio Nacional de Musica (337 01 00).
Symphony Orchestra of the Tchaikovsky Conservatoire (Moscow)conducted by Leonid Mikolaiev, Ruggero Raimondi (bass). Mussorgsky, Rimsky-Korsakov, Borodin, Tchaikovsky, Glinka, Verdi (Wed). Auditorio Nacional de Musica (337 01 00).
Spanish National Choir conducted by Alberto Blancafort. Rossini programme (Thur). Auditorio Nacional de Musica (337 01 00).
Gerhard Oppitz (piano). Brahms programme (Thur). AuditorioNacional de musica (337 01 00).

Vienna

Lindsay String Quartet. Mozart, Britten, Smetana (Fri, Thurs). Musikverein.
Elena Baschkorova piano recital by Schumann (Mon). Konzerthaus.
Wiener Symphoniker, conducted by Hans Graf. Schubert, Rubin, Mendelssohn (Wed). Musikverein.
Daniel Barenboim piano recital. Bach's Goldberg Variations (Wed). Konzerthaus.

New York

Orchestra of St. Luke's conducted by John Eliot Gardiner. Stravinsky, Bartok (Tue). Carnegie Hall (247 7800)
New York Philharmonic. Erich Leinsdorf conducting. Philip Myers (horn). Strauss-Cuperin, Haydn, Mozart (Tue). Avery Fisher Hall (874 6770)

Washington

Chamber Music Society of Lincoln Center. Albinoni, Purcell, Mozart, Zelenka, Bach (Wed). Kennedy Center Concert Hall (467 4600)

Chicago

Chicago Symphony Orchestra. Claudio Abbado conducting Viktoria Mullova (violin). Shostakovich, Tchaikovsky (Tue, Thur). Orchestra Hall (435 6666)

Tokyo

Austrian Radio Symphony Orchestra, conducted by Manfred Honeck. Mozart, J. Strauss. Suntory Hall (Mon). (235 1661).
Mstislav Rostropovich (cello) with the National Symphony Orchestra, conducted by Steven Arbatt. Dvorak, Prokofiev. Bunkamura, Orchard Hall (Wed). (289 9999).

The Naked

HAYMARKET STUDIO, LEICESTER

The first theatrical coup comes within a few seconds. Fenella *Fielding* enters as a nosey landlady, sees someone else there, - and retreats inconspicuously. Simon Usher's masterly direction makes the spectacle seem almost natural, but thereafter fights a losing battle against Miss Fielding's natural inclination to seize the reins and gallop away with even those scenes in which she should be a bystander.

Miss Fielding rushing on with the news that "They've knocked down a poor old man – *squashed* 'im flat" in the intonation of the late Irene Handl and the eye make-up of Theda Bara is more hypnotic than Pirandello's prismatic probing of personality, even in this well-cast revival of the comparatively rare *Vestire gli Ignudi*.

Speeding (90 minutes, no interval) through the three acts of this facet-turning, kaleidoscopically shifting examination of a sordid suicide attempt certainly leaves no time for the agonisingly wordy and cumbersome setting-up that crippled the National's recent *Man, Beast and Virtue*; but it leads to a final verbal whirligig when characters gabble through their own "true" versions of what happened, sometimes completing one another's statements, confusingly throwing in the pronoun "she" without clarifying whether this refers to the unhappy girl or her employer's deranged wife.

A deliberate blur to smudge even further Pirandellian superimposition of different truths, or appearances of truth, perhaps; but it does leave the audience breathlessly feeling it may have missed something. The waif-like Ersilia, out of hospital after swallowing poison, is sheltered by the writer, Nota, who excitedly fills in her history with the creative artist's intuition.

The press went to town on the girl's sacking from her post as a diplomat's nanny *after a fatal accident to her* infant charge. The girl was mistreated, bullied, perhaps even framed by the mistress of the house; and seduced by a young man who abandoned her for a well-connected fiancée.

Naturally, the others involved give their own sometimes contradictory version of events. The girl was having an affair with the master of the house; they were found in bed at the time of the child's accident; it was all made up by the wife.

To the fairly conventional idea of an event changing according to whoever is viewing it, Pirandello adds the element of individual choice. The decision of how to present yourself or your circumstances automatically throws other people out of kilter; gear-changes, new slants, adjustments are made, sometimes frantically, to accommodate each new vision of the truth. Responsibility and guilt are shoved around the company as in a game of "Pass the parcel."

The play was notably done in England in the early 1960s when the glamorous leading actress, with an irreproachably Pirandellian merging of fact and illusion, suffered a much-publicised off-stage depression. The home team of Leicester Haymarket's studio theatre gives us Valerie Gogan, beautiful, enigmatic, both vulnerable and knowing according to the shifting sands of the play's perceptions.

Martin Hoyle

Abandon safe good taste and back a craftsman

British crafts are not synonymous with hairiness, wholemeal and macramé, says Susan Moore

Contemporary British crafts are respected and admired around the world. Who are its patrons? Americans, Europeans, Japanese. Perhaps 70 per cent of the best work produced in this country ends up overseas. As for audiences for crafts events here, they are hard to come by. A four-month Crafts Council exhibition such as avant-garde German jewellery, will attract around 10,000 visitors – though knitters, quilters and the like fare far better. A six-week seminar on collecting crafts planned by the Contemporary Art Society was abandoned last autumn because of lack of response.

Why are the British so indifferent? Is it explained by visual illiteracy, or a propensity to look backwards? Or is it simply the kind of lack of imagination that induces us to replicate unthinkingly the Regency dining rooms and George I drawing rooms that are safe Good Taste? There may be a problem of association. Perhaps the crafts will forever be synonymous with hairiness and wholemeal, wobbly pots and macramé.

Moreover, there is no substantial intellectual or industrial backing for the crafts. Why, for instance, has no art historian talked about Hans Coper in relation to Brancusi? Certainly a year's column inches devoted to criticism of the crafts in the national press would not papier-maché a balloon. Industry does not appear interested in exploiting young British talent. If Rod Arad, say, were in Turin, he would be designing cutlery or motor cars. In France, André Debreuil, whose ideas come from working in England, has been asked to design for Daum glass. So keen is Japan's interest in British design that telegrams flew across the world as a result of Christie's latest catalogue, one of which virtually read: who is Sir Edwin Lutyens? will he design a café?

The trade, at least, has responded to the potential. Sotheby's launched the first auction at the beginning of the 1980s – it was not a success. In 1982, Christie's began offering specialist sales of contemporary ceramics, a field which has been developed very successfully (thanks to American bidding at the top end of the market). In 1985, the firm attempted to lure the collectors of Morris, Voysey, Knox and Liberty into the field of contemporary glass and, in 1988, furniture. What happened? British collectors carried on supporting the early 20th century, and overseas clients took off the modern design. But, Paul Greenhalgh of Christie's assures me, the tide is turning.

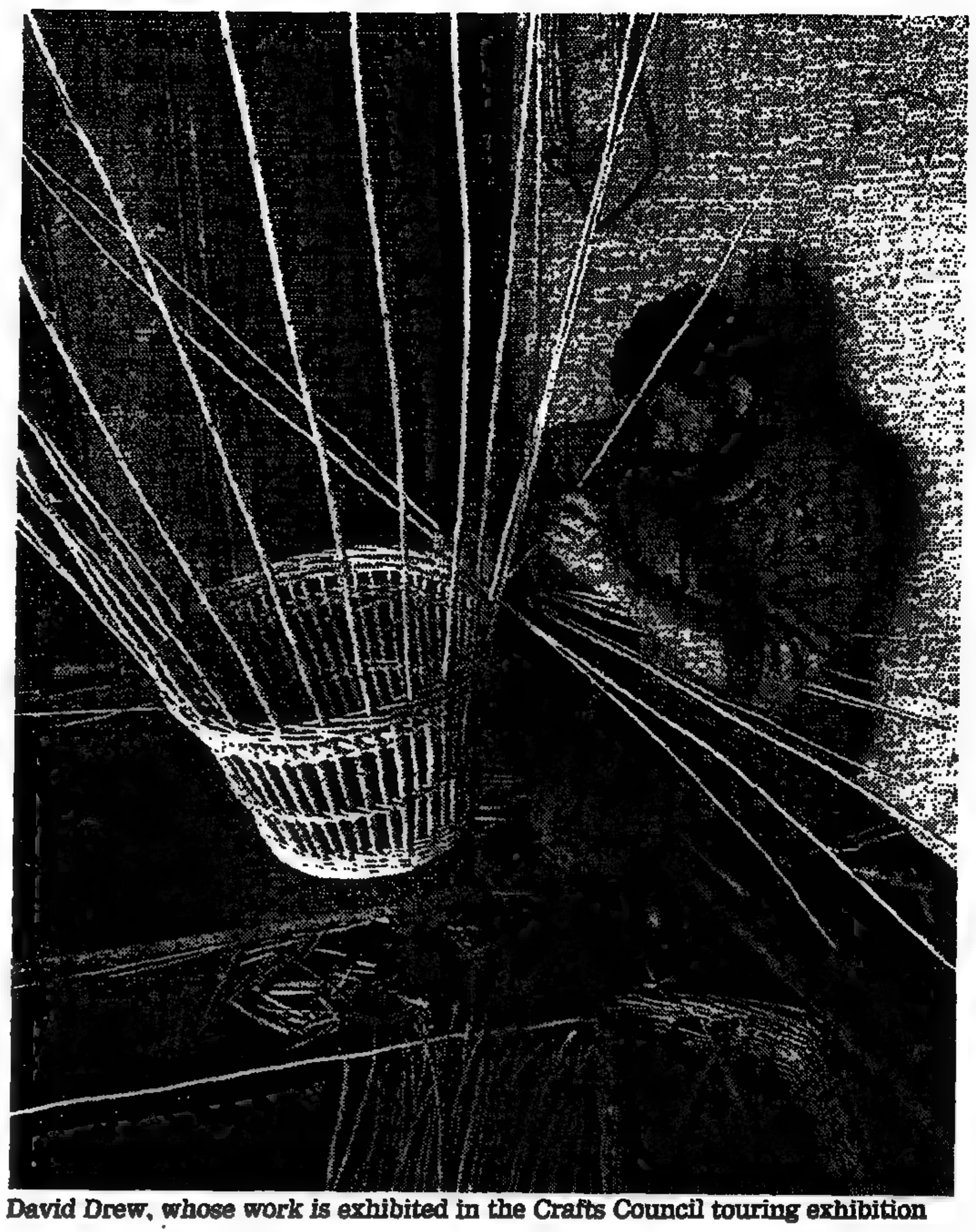
Enormous effort has been expended on attracting a new audience – and a richer one (few bidders are happy to experiment with over £5,000). Both major auction houses prefer to term these objects as contemporary decorative arts, the antiques of tomorrow (the specialist dealers who have sprung up are less squeamish). Anyway, saying one's son is a furniture maker is now unlikely to send shock waves around a cocktail party thanks to David Linley. At Saturday's private view for Christie's much-publicised auction of modern and contemporary decorative arts on Wednesday, the firm gamely proffered champagne and Pop videos, and a gathering of young people who presumably had never passed through its portals before.

Perceptions may be changed again by *Six Crafts on Four* – a series for Channel 4 due to go on the air from March 13. As its title, "Not Pots," suggests, there is not one wobbly pot in sight. Nick Gifford's imaginative photography avoids visual clichés, and the craftsman is allowed his or her own voice. Each episode presents one craft and two makers with very different approaches. "The Basketmakers – Beyond Therapy" contrasts David Drew and Lois Walpole. Drew, who is the embodiment of the Arts and Crafts ethic, grows his own willow and makes traditional baskets in an idyllic rustic Somerset cottage that looks as though it were a set for *Interiors*. Lois Walpole, working in urban East London, trained as a sculptor and approaches baskets like a tapestry weaver. Her exuberant, kaleidoscopic wares incorporate anything from dyed cane to telephone wires, strips cut from water bottles or from corrugated cardboard Monster Munchies boxes (Valerie Singleton was never this inspired).

An accompanying exhibition (at the Crafts Council Gallery in London until March 25) will tour the country during transmission. If this combination of force does not convince us of the liveliness, diversity and quality of contemporary crafts, nothing will. Apart from the somewhat apologetic captions – "knitting may sound very predictable" . . . "blacksmithing may not sound as though it could have a place in the 1990s" – the show is inspirational.

The 1980s saw a flowering of creativity in the crafts, greater experimentation and, in England, a marked eccentricity. (There is nothing slick about the majority of pieces being made.) We find survival (the Misses Garrick knitting Fair Isle) and revival. Most conspicuous is the rebirth of the artist-blacksmith, and yet Jim Horrobin (in focus on Channel 4), the son of generations of village blacksmiths, shows that survival of a traditional craft is only by way of revival. Architects and designers have rediscovered the aesthetic virtues of metalwork; one of Horrobin's recent commissions was to design and make fittings for the Yamamoto Shop in Sloane Street.

Crafts as a philosophy for a way of life may be disappearing. Instead, makers seem to have found a new niche in the design and image-conscious late 1980s. When will the British notice?



David Drew, whose work is exhibited in the Crafts Council touring exhibition

The Next Best Thing

NUFFIELD THEATRE, SOUTHAMPTON

There are three characters in Graham Alborough's little comedy, and in the last half of the evening one of them seldom talks except to himself. He is, as it happens, the winner in the two-men-and-a-girl contest, but only because the author makes it so.

The winner is Steve, a sign-writer. His antagonist is Eddie, a freelance reporter, and the prize will be Elaine. Elaine is already married to Steve to start with, but she had an unsatisfactory affair with Eddie some years earlier.

The trouble now is that Steve never talks to her, whereas Eddie never stops. As Elaine has just had a very interesting experience – she drove a van into a pylon and electrocuted 354 pigs – you can see that she is likely to be happier with Eddie, and she spends a night with him.

Steve, left alone in his studio, talks to himself, and his refrigerator makes social conversation to him, no one explains why. He finds Eddie's address in his studio and goes to see if Elaine is there. He is about to ring the doorbell when Elaine, after a long speech about following chance notions, decides to live on her own and meets him at the door. And goes back to live with him.

There is not enough wit or philosophy in Alborough's writing to enliven this thin little tale. Eddie's talk is fluent enough to excite Elaine, who bursts out, "We're saying things! we're talking!" as if she were playing in *Roots*, but does not seem to care that neither he nor she is saying anything interesting.

Penny Bunton does what she can with Elaine, and raised an occasional smile. Neil Dudgeon as Eddie has a lot to say about pulp journalism, and Robert Bathurst's Steve has a good deal to say about hand-lettering, but neither is a really interesting character.

Robin Don has provided an interesting set on a free-floating stage. Patrick Sandford is the director.

B.A. Young

Kreutzer Quartet

PURCELL ROOM

At her death almost four years ago, the composer Priaulx Rainier bequeathed a fund for composition prizes, and for recitals by young artists "to include 20th century or contemporary music (including from time to time my own)." For the second year the Park Lane Group has organised these Memorial Concerts. On Wednesday the excellent young Kreutzer Quartet duly offered a 20th-century programme, which ran from Sibelius and Bartók *via* Rainier to Hugh Wood and the 29-year-old Martin Butler.

A rich menu in its own right, it also served to display the Kreutzer's notable range. They were keen and well-studied in Bartók's Third Quartet, but it simmered nicely where the most committed performances *seethe*. All their other music was realised with great vividness; one even suspected that picturesque and "evocative" pieces are what, just now, they warm to most.

The flavour of Miss Rainier's 1939 Quartet sometimes evokes very intelligent film-music (her later music would exclude conventional devices, and reveal the singular composer), but the Kreutzer reading seized upon everything vital in the piece. They made the most of Butler's artful string-writing in his recent "Songs and Dances from a Haunted Place," which is candidly picturesque: ghostly Irish fiddler in a deserted moorland, first rhapsodising and then jigging. Much refined expertise goes into painting the picture; it will be interesting to learn how far Butler's talent will run toward self-standing music.

In its own way, Hugh Wood's Quartet no. 3 (1978) is no less a neo-romantic affair – an awakening to spring, with birdsong – though it is more ambitiously and elaborately structured: in large part built like a chaconne, but with symphonic nodes as well as all that enthusiasm for Nature. The Kreutzer players addressed it with resounding sympathy and canny appreciation of its ground-plan, to great effect and general satisfaction. They did no less for Sibelius's only quartet, the "Voces Intimae" (even while their pitch was becoming slippery, at the end of a long concert); indeed, they delivered it with more extrovert passion than Scandinavian quartets usually allow themselves. That was exciting to hear, whether or not one might prefer a more "objective" reading for keeps.

David Murray

Sarah Walker

WIGMORE HALL

There has never been any good musical reason why female singers should not essay Schubert's *Die Winterreise*. The vocal part is equally suitable for voices of either sex and there now seems to be a queue of women waiting to sing the work – all of them, one notes, mezzo-sopranos, who must feel that their darker timbre is especially fitting for the cycle's dark mood.

The most recent is Sarah Walker, the first British mezzo to embark on this journey. An experienced recitalist, she sets out well equipped to meet its challenges. She is always communicative in Lieder and Wednesday's performance found the pacing of the cycle already well within her grasp, though she would no doubt have preferred to face such an arduous undertaking without the cold that forced her to make a break just before the half-way mark.

With the rain driving down on the Wigmore roof, it should also have been easy to create the right atmosphere, doom-laden and wintry, the heart laid open to the elements. That she did not succeed in doing so may have been due to the limitations imposed on the voice. The range of colour was altogether too restricted for such pictorial songs and when hushed singing was called for, the tone sometimes threatened to give way altogether.

Instead it was Graham Johnson, the accompanist, who tended to establish the mood. The determined tread in the beat that set the cycle on its way, the impulsive rush into "Rückblick," each established a potent surrounding atmosphere. Where the performance did get a grip on the music was in the songs of greatest anguish, where Sarah Walker, always a fine dramatist, joined him in pushing intensity to its limits.

In these lies the beginning of a true and penetrating *Die Winterreise*. But the competition is fierce and there were few moments during this evening that could erase recent memories of Brigitte Fassbaender or Christa Ludwig in the same music, the one searingly passionate, the other majestic. That will be difficult for any artist singing in a language that is not his or her own.

Richard Fairman

Mozart and Salieri

FESTIVAL HALL & RADIO 3

Wednesday's City of London Sinfonia programme looked enticing: Rimsky-Korsakov's one-act Pushkin setting for two players, *Mozart and Salieri* (1897), in the first half followed by the Mozart Requiem in the second. Music from the second steals gently into the first as Rimsky-Korsakov's (and Pushkin's) Mozart feels the shadows of death falling on him, and as Salieri's poison – apocryphal, of course – works its way through his veins.

Rimsky's opera, a subtle and fascinating "little thing" (as he called it), was written as a conscious exercise in the heightened-conversational style of Russian word-setting made famous by Dargomyshsky's *Stone Guest*. It requires an audience ready and able to hang on each word as it falls from the two singers' lips – Salieri (bass) has the key part, but the lyrical arioso of Mozart (tenor) is beautifully contrasted – in conditions of close intimacy.

The Festival Hall is not, therefore, the ideal venue; but in any case the decision to give the work in a feeble semi-staging (to the left of the orchestra on the platform) meant that the lights were turned down and the printed translation was unavailable for consultation during the performance. From a seat on the "wrong" side of the stalls I missed entirely the heat of any genuine stage activity: it was a chilly, unengaged reading. A simple concert performance would have been far preferable.

The first Salieri was Shalyapin: it was one of his most astonishing achievements, a landmark in the early part of his career (the detailed construction of his portrayal and its effect on early audiences are recounted at length in Victor Borovsky's recent, masterly Shalyapin biography). One cannot fairly hunger for a new Shalyapin every time the piece is tackled; still, it was disappointing that the Russian bass-baritone Anatoly Safyulin could (on Wednesday's showing) summon only rough-and-ready vocal resources and a not very compelling way with words for this Festival Hall revival.

Martyn Hill's Mozart (who also played the piano himself, very capably) lacked strong personality, though as usual Mr Hill's singing was unfailingly true and shapely. The conducting of Richard Hickox completed the tepid impression – cautious, unidiomatic, essentially undramatic. The Requiem after the interval was given with large choir (the London Symphony Chorus, in good form) and small orchestral forces; the imbalance between groups, which persisted uncorrected by Mr Hickox in all the choral movements, made for a feeling of leadenness all but unrelieved.

Max Loppert

ARTS GUIDE

February 2-8

THEATRE

London

Anything Goes (Prince Edward). Cole Porter's silly ocean-going 1930s musical has four or five marvellous songs and Elaine Paige failing to emulate Ethel Merman (734 8951, cc 836 2428).

Jeffrey Bernard is Unwell (Apollo). Brilliant performance by Peter O'Toole as an alcoholic journalist who embodies a Falstaffian, nay-saying life force while committing public suicide by vodka. Keith Waterhouse has stitched a fine play, the season's highlight, from Bernard's own writing. Ned Sherrin directs (437 2663).

A Little Night Music (Piccadilly). Fine revival by Ian Judge, imported from Chichester, of Sondheim's 1973 schlagobers version of a Bergman film. A beautiful score, composed mostly in waltz time, is touchingly performed by Lila Kedrova, Dorothy Tutin (her best work in years), Peter McEnery and Susan Hampshire (867 1118).

Another Time (Wyndham's). New Ronald Harwood play, directed by Elijah Moshinsky, about a white South African family in Cape Town and Maida Vale. Albert Finney plays father and concert pianist son across 35 years, suggesting that talent is a means of escape and a reason for not going back. Janet Suzman and Sara Kestelman are electrifying in support (867 1116).

M. Butterfly (Shaftesbury). Peter Egan has taken over from Anthony Hopkins as the tortured diplomatic hero in a Peter Shaffer-style "spectacle of ideas" dressed up in John Dexter's superb production as a metaphor of homosexual life (379 5399).

Aspects of Love (Prince of Wales). Andrew Lloyd Webber's latest is an intimate chamber operetta derived from David Garnett's 1955 novella. Musically interesting and well directed by Trevor Nunn. (839 5972).

New York

Heidi Chronicles (Plymouth). Wendy Wasserstein's award-winning drama covering 20 years in the life of a successful American baby boomer goes from support for Eugene McCarthy's presidential aspirations to electoral ambitions in the 1980s (239 6200).

Gypsy (St James). This 30th anniversary production does more than revive a rich, vivid musical; it also introduces a new belter in the Merman tradition. Tyne Daly, as the bossy, tireless and tuneful Rose, who shamelessly leads her daughter into burlesque (246 0102).

Grand Hotel (Martin Beck). Tommy Tune, Broadway's present musical doctor, directs this remake of the Garbo film to at least shake the bones of this inert depiction of lives criss-crossing in an elegant, but somewhat random setting (246 0102).

Sweeney Todd (Circle in the Square). An intimate production of the Sondheim-Wheeler musical emphasises the descent into madness of Bob Gunton as the demon barber of Fleet Street (239 6200).

Lend Me a Tenor (Royale). A sprucing up in the set of a decaying town's big time opera ambitions makes a transatlantic hit of this farce, with a local cast led by Philip Bosco and Victor Garber (239 6200).

Jerome Robbins' Broadway (Imperial). Anyone attracted by the notion of three hours of film trailer previews will adore this compendium of Robbins' directed and choreographed plays of the past 40 years, including On the Town, West Side Story and Gypsy.

Rumours (Barrymore Theatre). Neil Simon's latest comedy is a self-conscious farce, with hollow humour that misses as often as it hits (239 6200).

Cats (Winter Garden). Still a sell-out, Trevor Nunn's production of T.S. Eliot's children's poetry set to music is visually startling and choreographically feline (239 6262).

A Chorus Line (Shubert). The longest-running musical in the US (239 6200).

Les Misérables (Broadway). The magnificent spectacle of Victor Hugo's majestic sweep of history and pathos brings to Broadway lessons in pageantry and drama (239 6200).

M. Butterfly (Eugene O'Neill). The surprise Tony winner for 1988 is a somewhat pretentious and obvious meditation on the true story of the French diplomat whose long-time mistress was a male Chinese spy (246 0220).

Phantom of the Opera (Majestic). Stuffed with Maria Bjornson's gilded sets, Phantom rocks with Andrew Lloyd Webber's haunting melodies in this mega-transfer from London (239 6200).

Chicago

Steel Magnolias (Royal George). Ann Francis and Marcia Rodd play the leads in this view of southern life from under the dryers in a busy hairdressing establishment (988 9000).

Winter's Tale (Goodman). Frank Galati directs a production that spans the ages, interpreting Shakespeare as running from Ovid and television. Ends Feb 17 (443 3800)

I'm Not Rappaport (Briar St). Shelley Berman, one-time stand-up comic, now plays Nat, Herb Gardner's memorable Central Park character who gags his way through the 1986 Tony Award winner. (348 4000).

The Good Times are Killing Me (Body Politic). This City Lit production of Lynda Barry's first play captures an American childhood with poignant zaniness (871 3000).

Tokyo

Kabuki. Kabuki-za. Performances at 11am and 4.30pm. Of the three pieces in the matinee, the most famous is *Funa Benkei (Benkei in the Boat)*, set on a kabuki version of a noh stage. The evening programme features two short dance pieces and a full-length drama, *Sannin Kichiza (Three Men Called Kichiza)*, an amusing and action-packed genre piece about three bandits who all have the same name. Earphone guide in English (541 3131).

National Noh Theatre. The noh play Tomoe, written by Zeami in the 14th century, is performed together with a kyogen comic interlude (Wed 1pm). (423 1331).

Le Recit de la Servante Zerline. The great Jeanne Moreau makes her Tokyo debut in an adaptation of Herman Broch's story about an elderly maid and her memories of unrequited love. In French. Theatre Apple, Shinjuku (661 6581). Ends Wednesday.

Desirable Residents

THE OVAL HOUSE

This depiction of urban vagabonds is drab, damp, sad, untalented and paved with good intentions. Devised by writer/poet Ken Cockbourn, and given by the Cardiff Company Paupers' Carnival Theatre, it is not just dull as ditchwater, it *is* ditchwater. Take 30 seconds looking at the homeless around Waterloo and anyone may see greater physical intensity and oddity, stranger and more disturbing societies, postures and gestures than this work attempts.

Take four tales of those wanderers who may or may not be homeless: the rebel middle class girl expelled from school, the middle aged lady who loves birds and dreads bureaucracy, the meths-drinker who fiddles social security applications, the greying man who sells toys that fell off the backs of lorries. With grey and tepid earnestness, *Desirable Residents* traces their hallucinations, squabbles, sob-stories. Part one lasts an hour. About part two, I can't say; I didn't survive that long.

It is completely of a piece; nothing disturbs its torpor. At one point, Mo (Vanya Constant) basks in artificial flowers in a tin bath; at another, Sarah-Jane Baxter (Julie Turner) does an idle, soft-grained, gestural dance. The one is exactly the same half-hearted effort at lyricism as the other. Each character is allotted his or her little mad scene. Whatever its mood or speed or pressure, it is drained of conviction by the same lacklustre timidity. Its characters don't become flesh; they're just standard types.

"Are they not also *Desirable Residents?*" asks the press-release. But the writing and acting, treating these street-people with benevolent mildness, keeps them firmly at one remove. This is the writing and acting of part-time soup-kitchen helpers.

Alastair Macaulay

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Friday February 2 1990

Right time for arms cuts

PRESIDENT Bush's proposals to cut the number of American forces in Europe should be welcomed by everyone concerned: the US, western Europe and what is by now a somewhat nebulous Warsaw Pact.

The proposals are a new initiative at the right time. Among their merits is that here is a US President leading rather than having action forced on him by Congress. Mr Bush is also seen to be doing *something* to help Mr Mikhail Gorbachev at a time when the Soviet President has troubles enough at home. Not least, the decision to cut American force levels in Europe should put new life into current negotiations on arms control.

Nevertheless, troop cuts alone, however desirable at the present stage, are not a strategy and the key question is what happens next. The situation in eastern Europe remains very uncertain, as it does in the Soviet Union itself. While some recent actions may be irreversible – like the dismantling of the Berlin Wall – that does not mean that all risks of conflict have disappeared. And even if the Warsaw Pact were to dissolve itself, the Soviet Union would remain a formidable military power. Indeed if the USSR were to lose some of its constituent parts, Russia would still be a nuclear power capable of threatening the rest of Europe and the US.

The task is to bring military strategy and arms control negotiations into line with political developments. It will be difficult, but not impossible. Many of the fora for dealing with the problems are already in place. The challenge is to realise that time may be limited.

Unnecessary overkill

On strategic nuclear weapons the idea of deep cuts is not new. On the US side they go back to President Carter, on the Soviet side to the early days of Mr Gorbachev. Both sides possess a degree of overkill which they know to be unnecessary. The forum for cuts exists in the strategic arms reduction talks (START). There should be a mutual interest now in reaching agreement within the next few months, for if the present opportunity is missed, it may not quickly arise again.

There are talks on cuts in conventional forces in Europe (CFE) in Vienna. A problem here is that they have always been seen as negotiations between blocs: NATO and the Warsaw Pact. That becomes hard to sustain if the new Hungarian and Czechoslovak Governments are telling the Soviet troops on their territory to go home even before there has been an East-West agreement. Once again, that points to the need for speed.

Diplomatic task

This question of the twin alliances applies especially to the two Germanys. There is no evidence whatsoever that the Federal Republic wants to leave NATO, but no evidence either that it wants East Germany to join, even if German unification comes about very quickly. The diplomatic task is thus to persuade the East Germans to remain in the Pact while force reductions and withdrawals are negotiated. That is by no means incompatible with progress towards unification on the political and economic fronts. Again, however, speed is crucial.

On all these questions, there are other established fora which can be used. There is the four power agreement on Berlin and Germany as a whole, which allows the main wartime western allies to talk to the Russians. It should not be used above the Germans' heads, but its existence should not be forgotten. There is also the Helsinki Agreement which brings together all European states, except Albania, plus the US and Canada and is a continuing process. It, too, will have a role to play in guaranteeing freedom and democracy in the new Europe.

The two western countries most likely to be disturbed by recent developments are Britain and France. It is unlikely that they can maintain their present level of troops in Germany when the Americans are cutting back. Britain, in particular, may have more future as a naval power than one with a large land army in Europe. These are matters of strategy. They need to be discussed.

Charging for eye tests

THE DEMAND for eyesight tests in the UK has fallen by roughly 22 per cent since the Thatcher Government introduced charges last April. Opticians say that many people may now be driving cars with uncorrected vision. More worrying, the statistics appear to suggest that up to 100,000 people could be suffering from diseases, such as glaucoma and diabetes, which would previously have been detected in routine tests. In heated Parliamentary debates last year, ministers brushed aside warnings from the optical industry that charges could damage the nation's health. It is now harder to dismiss such objections as self-serving.

Ophthalmic services have been a testing ground for market principles in health care. In 1984, the Government ended the opticians' monopoly on the supply of spectacles. In 1985, it lifted advertising restrictions and sharply reduced the National Health Service's role as a direct supplier of spectacles. In 1986, all NHS spectacle provision ceased; children and people on low incomes were given vouchers to spend on privately-produced spectacles of their choice.

These liberalising measures had broadly favourable consequences. Opticians, once a rather dowdy part of the NHS, joined the dynamic retail market of the late 1980s. They began to see clients as customers rather than patients. Premises were refurbished. Many new companies entered the market. The range of spectacle frames on sale in the high street greatly increased. With the arrival of vouchers the shelves of unattractive "NHS specs" – once the bane of schoolchildren's lives – became a thing of the past.

Final stage

The Government saw the introduction of eye test charges as just the final stage in a long and beneficial process of liberalisation. It took steps to make some vulnerable groups eligible for free tests. Ministers argued that everybody else could afford to pay fees, which average about £11.70 per test. Indeed, Mrs Margaret Thatcher went further, claiming that people would be upset if they were not allowed to pay for the tests and thus contribute towards the cost of other improvements in the NHS.

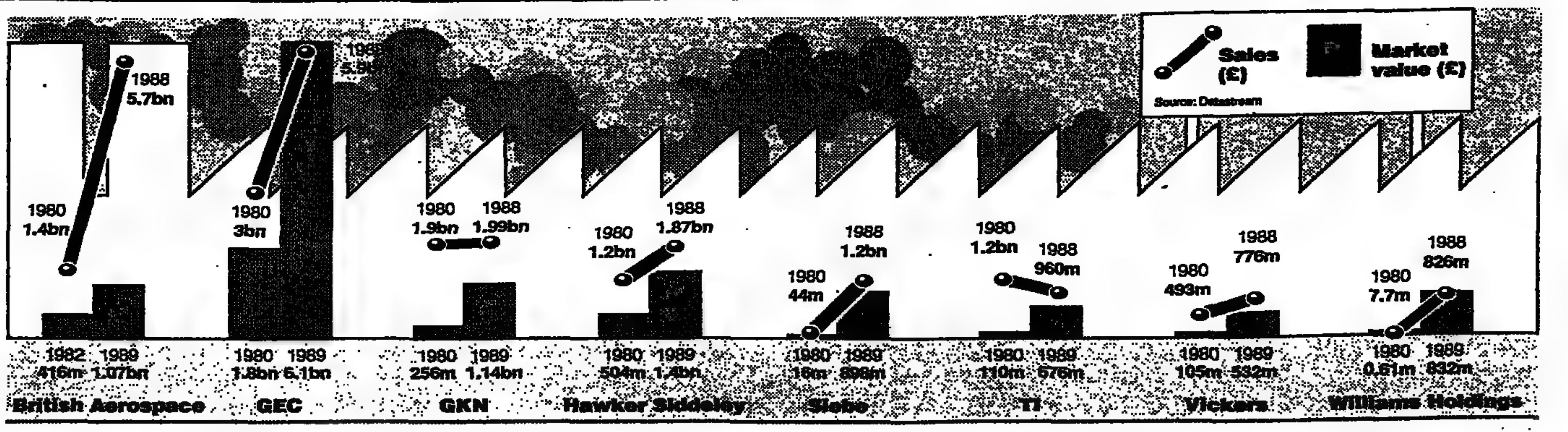
Yet charges for sight tests are not a natural progression from previous reforms of this industry. Nor do they respect the principles underlying either the NHS bill currently before Parliament or the new contract for family doctors.

Earlier reforms

The earlier – and successful – reforms of the optical industry were designed to increase competition between suppliers of spectacles, not to give consumers a financial disincentive to seek care. (Vouchers were simply a better way of distributing a given subsidy for spectacle purchase.) They thus respected the founding principles of the NHS, which are that care should be free at the point of delivery and financed out of general tax revenue. The same is true of the wider NHS reforms. Controversial innovations such as self-governing hospitals are intended to increase efficiency in the supply of care by encouraging more competition between providers. There is no suggestion that the effectiveness of the service can be improved by charging consumers for X-rays or diagnostic checks in hospitals.

The philosophy behind the new GP contract is even further removed from that of eye test charges. The emphasis is on preventive medicine: for example, large amounts of money are being spent to ensure that more women have regular cancer smear tests. Charging for eye tests is the antithesis of preventive medicine: it is recipe for ensuring that many serious eye disorders are not detected in time for correction. Yet the revenue such levies raise is negligible when set against the NHS's £22bn budget.

The demand for eye tests may recover somewhat as people grow more used to charges. But the figure is unlikely to reach its previous level; some deterioration in health standards thus looks inevitable. This would not have occurred had ministers adopted a consistent approach in their search for cost savings in health care.



Nick Garnett reports on the challenges the UK engineering industry faces in the 1990s

Building on a decade of change

The UK's engineering companies and industrial groups, profoundly changed by the experience of the 1980s, begin the new decade with a new pecking order and a fresh set of challenges.

Over the past decade, the industry's size rankings have been transformed. Acquisitions have turned companies which started the 1980s with sales of between £7m and £100m into ones with sales of £1bn or more.

At the same time, many of the older, more traditional companies like Vickers, TI, Hawker Siddeley and GKN – names embedded in Britain's industrial history – have achieved only modest sales growth. Some now have turnover no higher in nominal terms than 10 years ago. Many have been overtaken in both sales and market capitalisation by what were minnows at the start of the last decade.

"The changes have been greater than during any other period. It has shaken up the whole structure," says Mr Barrie Stephens, chief executive of Siebe, the controls and garage equipment company.

His company is one of those which have grown rapidly, largely by acquisition, during the 1980s. Siebe's sales soared from £44m in 1980 to £1.2bn in 1988, the last full year for which figures are available. Other rapidly growing companies include Williams Holdings (paint, industrial and consumer materials, fire protection equipment), Tomkins (hand guns to lawnmowers), and to a lesser extent, BBA and the electrical group FKI. Williams' turnover rose from less than £8m in 1980 to £825m in 1988, with over £1bn likely for 1989.

By contrast, TI's last reported full-year sales were marginally down on the 1980 figure of £1.2bn, GKN's were unchanged at about £2bn and Vickers raised its sales by little more than a half to £780m. Market capitalisation tells a similar story. Siebe's rocketed from £16m to £900m at the turn of the year, well past that of Vickers or TI. Williams went from £600,000 to £830m.

Not all large companies have slid down the rankings. A few have maintained their place in the pecking order, doubling their sales over the period. BICC, the cables and construction group, went from turnover of £1.3bn to £2.7bn during the decade. GEC went from revenues of £3bn in 1980 to £5.9bn in 1988, and the figure will rise further after its recent spate of mergers.

Sales figures tell only part of the story. The composition of those revenues has, in many cases, also changed abruptly. Companies have reshuffled their portfolios of businesses, selling off product lines to focus on profit and growth.

Some companies have been almost completely reconstituted. TI sold its machine tools, white goods and bicycle interests and is now a specialist engineer in seals, tubing and furnaces. Vickers has also made big changes, of a less clearly defined sort. It expanded in office furniture, then sold the business off; it left lithographic plate manufacturing, and is getting deeper into marine and medical equipment. Dowty has left mining equipment and hydraulics and moved more into aerospace and, with the purchase of CASE, information technology. IMI has moved away from metals and further into mechanical engineering.

One feature of the reshuffle has been a reduction in exposure to the automotive sector. Smiths Industries, for instance, has doubled its defence-aerospace interests with the purchase of Lear Siegler Avionics. GKN has also reduced the relative size of its automotive interests, even though that remains its core business; at the same time, it has largely left the steel business. Lucas Industries, more subtly, has edged further into aerospace and moved away from lower value added car components like batteries and starter motors.

Many old-established companies have been overtaken by competitors that were minnows at the start of the 1980s

This process has not affected everyone. Hawker Siddeley remains largely in the businesses with which it started the decade. So does Babcock, after merging and then de-merging with FKI. BICC has sold off some peripheral activities, but it is concentrating on expanding its original core areas in and out of the UK.

The 1980s saw the rise of a new type of diversified engineering holding company, the "mini-conglomerate", such companies as Williams Holdings, Evered, Tomkins, and Suter. They have had mixed success.

Some, like Williams, have succeeded – though their focus has often moved away from engineering. Others, like Evered, failed to live up to expectations and are now in completely different product areas.

The acquisition policies of the newer companies have varied substantially. Williams has bought and sold many companies but with a strategy of adding businesses to a few consistent themes. Tomkins tends to retain the companies it buys, but in many disparate sectors. Siebe is also an acquirer, but usually of companies making related engineering equipment.

The leadership of some industrial sectors has been transformed by this reshuffling. In the power industry, *Rolls-Royce's acquisition of NEI*, and the merger of the power businesses of GEC with that of France's Alsthom, are cases in point. Similar developments have occurred in pumps (Weir's purchase of Mather and Platt) and in food equipment (APV's acquisition of Baker Perkins). Swapping of interests between Glynwed, Delta, IMI and McKechnie has altered the ownership structure of some metal products sectors and there has been some rationalisation in machine tools.

But most sectors have not gone through such change. Even where there have been some shifts among a sector's leading companies – for example in motor components, with BBA's acquisition of Automotive Products and T & N's purchase of AE – the rest of the competition remains fragmented.

UK mechanical and electrical engineering groups now have much bigger interests abroad, and exports account for a larger share of sales – though this has not attracted much public attention. Only 41 per cent of the turnover of the 20 largest engineering stocks is now generated in the UK, according to stockbrokers County NatWest.

Many of the acquisitive companies have expanded their manufacturing overseas, especially in the US. This might have been good for their profits; but it has not helped the UK's balance of trade. The biggest employers in the UK, with the biggest factories, remain the older industrial names.

Foreign ownership of British companies in these broad sectors remains limited. The most significant include the GEC-Alsthom deal, Honda's stake in Rover, Mannesmann's 5 per cent shareholding in TI and, among unquoted companies, the purchase of Lansing, the UK's biggest fork-lift maker, by Linde, the German engineering and gases group. In one sector, precision bearings, Japanese companies, principally NSK, now have more than half UK production capacity.

Linked to better management, the combined effect of all these changes has generally been healthy. "Britain had fallen to a level in the early 1980s that it had almost disappeared as an effective manufacturing power," says Mr Brian McGowan, Williams' chief executive. Profits surged over the course of the decade: *GKN's*, for example, from a loss of £1m at the beginning of the decade to a profit of £178m in 1988, and Lucas from a loss of £21m to a profit of £187m over the same period. And the acquirers have also shown strong profit growth. Williams, for example, has gone from a loss of £755,000 to a profit of £116m, while BBA's profits have risen from £850,000 to £64m.

Modern production equipment gives the best users in some sectors an overwhelming competitive advantage

The challenge of the 1990s will be to build on the changes of the past decade in a climate in which competition – particularly from abroad – will grow more intense. "It is going to be much tougher in the 1990s," says Janet Sidaway, analyst at Kleinwort Benson.

The integration of the European market is one reason why competition will grow fiercer. And the changes in Britain have not happened in a vacuum. Many competitors in Europe and North America have become leaner and more focused than they were, in many cases without the tremendous upheavals that have occurred in the UK. Japanese competitors, however, are less of a threat in these industries than in consumer goods, for example.

The search for scale – in sectors that are still very fragmented – will ensure a continuing flow of acquisitions, especially in automotive components and aerospace products. "A lot of companies are just too small to survive," says Mike Tampin at Hoare Govett.

The aim of the search for scale is to possess critical mass in core product areas. "You will have to strive for size," says Mr Stephens at Siebe. "If you have not got critical mass in the 1990s you will not be able to afford research and development and Japanese and German competitors will eat you alive. Foreign competition is going to be very tough, I'm afraid."

Getting manufacturing technology right, he says, will make or break some companies. In many sectors, the vital technology decisions are those which govern companies' ability to produce the right products in the right volumes at the right unit costs. Modern production equipment allows the best users in some sectors to gain an overwhelming competitive advantage against the laggards: they can produce small batches of differentiated products on very short lead times at unit costs not very different from those which required much longer production runs a few years ago.

For companies hoping to grow quickly through acquisitions, the easiest years may be over. "What we have done will probably not be repeated by anyone in my lifetime," says Mr McGowan at Williams. At the beginning of the 1980s, says Mr David Blackwood, an analyst at Hoare Govett, UK engineering had a lot of undervalued assets. "It had been through recession and people could see businesses that had a lot of fat and where rationalisation could produce meaningful returns. There is much less of that now."

The industry is likely to face a less encouraging economic climate. Engineering companies have enjoyed exceptionally strong demand for several years now. This is unlikely to continue right through the 1990s. In a tougher business environment, some of the companies which made a success of the 1980s are going to come unglued over the coming decade. There may very well be "unbundling" of some former "bundlers."

Perhaps the biggest challenge of the 1990s – and one which may well not be met – is to overcome one of the traditional weaknesses of UK manufacturing.

After the changes of the past decade, it is now more difficult than ever to find large British industrial companies which have generated strong organic growth by developing their own products and using them to take market share away from foreign competitors. This is in marked contrast to the UK pharmaceutical-chemicals sector, where such behaviour is common.

For all the talk of improved efficiency and more coherent company portfolios, virtually no sector of British manufacturing has been able to plunder global markets with new world-beating products of their own design. For all the industry's restructuring, that is unlikely to change in the decade ahead.

OBSERVER

Z unmasked: K silent

■ Our anonymous contact in Cambridge was right. There is now overwhelming evidence that "Z", the pen-name of the writer who argued that President Gorbachev's reforms are doomed, is Professor Martin Malia, a historian on the faculty of the University of California at Berkeley.

My colleague, Lionel Barber, sets it out at length in the forthcoming issue of the American magazine, New Republic. The Z article is too close to unpublished manuscript written by Malia in 1986 called "Russia Under Western Eyes" for there to be any doubt. The two pieces contain matching literary allusions from Hegel, de Tocqueville, and a colourful use of Russian, French and semi-colloquial American.

Two questions remain, however. Why does Malia decline to admit authorship of the article which was excerpted in the New York Times on January 4 and first published in Daedalus, the quarterly of the American Academy of Arts and Sciences? There is nothing to be ashamed of.

And who is "K", the person who, using the King's College, Cambridge address, tipped us off in the first place? If K would care to be in touch with us again, we shall send the customary reward of a bottle of malt whisky.

Shilling's hats

■ Extraordinary what one learns as Observer. Went to a hat show yesterday, fully expecting it to be hats for men, never having heard of David Shilling. He makes hats for ladies. They were appreciated abroad long before they took off at home. The British view was that they were more museums and art galleries than for wearing. The collection shown at the Hyde Park Hotel was stunning, especially a hat that, I think, was called Bluebird or Blue Bouquet. In future, we shall see hats in a quite different light.

Groundhogs

■ Today is Groundhog Day. If you ever want to pass as American, it is at least as important to know this as it is, for example, to change the way you hold your knife and fork.

Groundhog Day is the one day of the year when the small town of Punxsutawney in Pennsylvania is more likely to figure as a dateline in most US newspapers than is Paris or London.

The Punxsutawney groundhog, similar to a woodchuck or marmot, is a first cousin to St Swithin. If he sees his shadow this morning, there will be six more weeks of winter. If skies are overcast, spring will be early.

In search of roots, the local Groundhog Club traces the tradition to Candlemas Day observances brought by German immigrants and to what it claims is an old Scots saying: "If it is bright and clear, there will be two winters in the year." Probably there is also a link with Bill Foggitt, the Thirsk weatherman, who says much the same thing.

Actually, Groundhog Day is just an excuse for several thousand people to gather at Gobblers Knoll outside Punxsutawney to watch a local worthy pull Phil the groundhog from a concrete burrow to talk about the weather in "groundhog-ese." On every other day of his 10 to 12 year life, Phil lives in more comfort in a glass-fronted burrow in a corner of the town's library.

Phil and his predecessors have failed to see their shadows on only nine occasions in 103 years. But harbingers of an early spring are becoming more frequent; it happened three times in the 1980s and is said by some to be the latest worrying evidence of the greenhouse effect.

"I've caused more inaccurate statements in the House of Commons than you've had hot dinners."

Not so rich

■ The extravagant lifestyle of Romania's late dictator, Nicolae Ceausescu, has been matched since his death by some equally extravagent tales about his wealth.

The latest suggestion to be knocked down – by the Romanian National Bank, no less – was that he had had 40 tonnes of gold (today worth more than $530m) shipped to Switzerland.

Romania Libera, the country's biggest daily newspaper, was responsible for that allegation when it published an interview this week with an anonymous man who claimed he had accompanied the gold on two flights to Zurich in September and October 1980.

Then there were the photographs of Elena Ceausescu's diamond-heeled shoes, which were flashed around the world when her house was opened up to western journalists.

Eager to get the full, sparkling, story, staff of the diamond trade magazine, Diamond International, tried to trace the source of the diamonds and the shoes. They found that the "diamonds" were only paste and that the shoes were part of a Charles Jourdan collection widely sold in boutiques in various European cities.

Frank talking

■ Public relations has never been a South African strength. That applies to blacks as well as whites. At a recent meeting in Lusaka, the African National Congress (ANC), put out the wrong speech by Alfred Nzo, its Secretary-General. There was a text full of fiery rhetoric designed for public consumption. Somehow, however, the ANC distributed Nzo's remarks to the closed session. Among them: "We must admit that we do not have the capacity within our country to intensify the armed struggle in any meaningful way."

Nothing new

■ The folding French car, which we wrote about last week, is not a new invention. Lewis Burrell, the archivist to the Ramsgate Old Motor & Motor Cycle Club and clearly a great authority, tells us that there was a man called Robert Hannoyer who built one in Paris in the early 1950s. It was known as the Reyonnah – his own name spelt backwards. The front wheels folded underneath the car and the idea was that it could be kept in hallways of apartment buildings in order to save parking problems.

Last drop

■ A New York jeweller is advertising a sterling silver key to squeeze toothpaste out of the tube.

POLITICS TODAY

The money is not on South Africa

By Joe Rogaly

South Africa is still a high-risk investment. Anyone who is thinking of putting money into Jo'burg stocks, or advising a board to re-invest or roll over a loan, should wait a while. *How long?* Probably at least a year, maybe several more. This friendly warning holds good whatever President de Klerk may say in his important speech at the opening of Parliament in Cape Town today. For in spite of the positive steps and reassuring words that have come from Mr de Klerk since he took office in September, there is no guarantee that the present series of moves towards a negotiated settlement with the black majority will work out.

The President himself is reported to have told 500 senior police officers the *other day that* South Africa could not afford to become embroiled in an "80 years' war" among its own people. *The strong implication that he fears* just such a possibility if his present efforts fail is reason enough to draw the conclusion that the republic is no place in which to put serious new money just yet.

That confrontation with the officers of what by all accounts has become a pretty demoralised and truculent police force was certainly courageous. *It follows his demotion of his* predecessor's national security council. Mr de Klerk's purpose is to deliver a message that has been studied with some care by the British Government: that he proposes to end the use of the South African police for political repression. "It is a question of methods," he said, according to one account of his speech. "When in *future we act* in a more *subtle way in* matters which have, in the past, been handled in a heavy handed way, it does not mean that we have changed our goal of creating a peaceful and civilised community where the rights of the minorities are safeguarded."

This is more easily said than done. The current tour by a team of cricketers under Mr Mike Gatting has aroused strong emotions. To Mr Gatting it may be simply a matter of playing a game and making a pile of money, but to many black South Africans the tour has been a provocation. The result is that once again the police have been photographed using tear gas, whips and snarling dogs to control crowds of protesters. The South African Government appears to *be more than slightly embarrassed by* the visit and its consequences, while in London the kindest official/unattributable phrase used in a conversation this week was that "Gatting and Co are just a bunch of mindless mercenaries." They are clearly out of their depth. They should come home.

The cricket tour is, however, a relatively minor obstacle to a President who seems genuinely determined to maintain the momentum of progress towards talks. Another is the behav*iour of his own security forces*, who sometimes continue with old habits in spite of his efforts to reduce their status and restrict their work to ordinary crime control. Just this week he was obliged to order a judicial commission of inquiry into the death in detention of the young Mr Clayton *Sithole Twala*, who, the police are reported to have said, committed suicide by hanging himself in the Johan*nesburg version of the Lubianka*, John Vorster Square. Over the years there have been many such reported suicides in that grim building. It is nevertheless reasonable to hope that the newly subtle South African Government will sooner or later succeed in getting its own version of the KGB under control. Even before Mr de Klerk took office the quantity of hangings, in a country more wedded to the death penalty than most, had begun to fall: from 164 in 1988 to 53 last year.

The distance yet to be travelled is, however, not inconsiderable. This goes some way towards explaining the reluctance of the African National Congress and even its venerated leader, Mr Nelson Mandela, to abandon talk of the "armed struggle." *Here is subtlety indeed. Bomb out*rages in white areas have ceased, and although there are still sporadic attacks on black policemen and alleged collaborators in some black areas the truth is that the ANC does not have the capacity to mount a credible campaign of violence against the South African state. This was acknowledged by one of its leading *lights, Mr Alfred Nzo, just the other* day. To outsiders the case seems simple: just announce a suspension while a search for peaceful solutions proceeds. But the ANC, which represents a constituency of people who for most of this century have cringed on pavement edges but who now stand up straight, is emotionally sustained by its rhetoric. So it talks of an "intensi*fication of the armed struggle*," while President de Klerk asks for its renunciation in return for all the things he is expected by a waiting world to do.

The release of Mr Mandela is at the top of that list of expectations, although it is nearer the bottom of the list of actions required to ensure that the ANC leader emerges straight into negotiations, or, at the very least, pre-negotiations. For that to happen the state of emergency must be lifted – not partially, but completely. The *remaining political prisoners* must be released and the ANC and its related organisations must be un-banned in law as it now more or less is in practice. Here the South African Government's position is the mirror-image of the ANC's on "armed struggle": it allows the ANC to operate openly, but it has not so far been able to legalise the real situation.

All of this taken together constitutes a package that is politically difficult for President de Klerk to deliver as a "big bang" while the ANC adheres to its phrase about "intensification of the armed struggle." The temptation for the South African President must be to deliver part of what everyone agrees is required and call on the ANC to make a gesture in return. Perhaps that proposition was discussed with *Mr Mandela himself* yesterday. The trouble is that the world has been building itself up to an *expectation of the entire* "big bang"; Mr de Klerk's claim to be a man of reform will not be sustained if he announces too little today.

Another obstacle to eventual agreement will certainly have to be discussed fairly soon. It is this: the African leaders now coming out of imprisonment are Rip van Winkles who were put into a political sleep at a time when the nationalisation of the commanding heights of the economy seemed desirable. Many of them, possibly including Mr Mandela, appear to have retained such a programme, which would cover the mines and the banks, as an article of faith. The ANC leader's recent statement to this effect has upset South African businessmen, some of whom see him on general grounds as the one man who can bring about a peaceful settlement. They should relax, take note of how far Mr Sam Nujoma and Swapo are *moving away from a similar 1960s-fix*ation in Namibia, and maintain confidence in their ability to persuade any future government of South Africa that a policy based on pre-1989 east European economics would be absurd.

These and other details of the evolving South African scene are watched with close attention by the *British Prime Minister. She* may yet benefit from having been wrong all along about sanctions. For it is the *effect of sanctions, particularly inde*pendent adverse decisions on the quality of bank loans to the Republic, that has done so much to stimulate the movement for reform being led by President de Klerk. The American-based sanctions have hit the hardest. Meanwhile, Mrs Thatcher has won popularity among white South Africans for speaking consistently against them. Her reward could be an invitation to play some role, perhaps as a dramatic mediator at an awkward time, in whatever talks get started. My understanding is that she would not visit Pretoria simply to shake *hands with de Klerk and Mandela*, but only if she could be seen to have something to do. That rules out an early visit, *although nobody knows* what will happen after today's speech.

Even if the speech shows vision and a determination to find a solution in consultation with African leaders the Prime Minister will be taking a political gamble if she gets openly involved. One of her Cabinet colleagues mused in a recent conversation that he could not be sure that the risk was worth any potential reward. I wonder. The immediate task is for quiet diplomacy that will steer the two sides around semantic obstacles like "armed struggle" and "banned ANC." The British are good at that, and the Foreign Office should help.

The major task will be to persuade President de Klerk that the flow of investment and business back to South Africa will *not begin in earnest* until there is a a genuinely democratic new constitution, with universal suffrage and no nonsense about "group" (that is, tribal) structures upon which to base it. Someone else will have to persuade the ANC and other African parties that protection for the white minority will have to be built into this probably penultimate *constitution;* I doubt that Mrs Thatcher is sufficiently trusted by blacks to be the person for the task.

Probably the only person who can do it is Mr Mandela. But then he would be crazy to sign a new peace treaty until he was convinced that what was on offer was an irreversible shift away from white domination or white overall control. Until he could see such a ratchet *built in* to any new settlement the ANC would want to keep up the outside-world pressure, which is its principal true weapon. For once laid down, that weapon would be hard to reassemble.

It is for these reasons that we cannot sensibly regard President de Klerk's Government in the same light as the old Communist regimes of eastern Europe, ready to topple as soon as the crowds gather. There, the Russian colonial army held its fire. There is no such *outside army to withdraw from* the Republic. I suspect that neither side has yet fully confronted what it would have to give up if there is to be a lasting settlement. That is why I say, don't bank on any such thing just yet.

LOMBARD

Marxism today

By Martin Wolf

Fascism Today has become one of the more fashionable intellectual weeklies of the late 1980s. Its editor remarks that the essential values of fascism are no more than the superiority of co-operation over competition and of an orderly national community over anarchic individualism. Nazism he *condemns utterly, as an evil* distortion of these values.

According to fascist revisionists, both of the major British parties embody some fascist values. Mrs Thatcher, for example, is praised for a staunch defence of national interests, for authoritarianism and hostility towards deviant sexual behaviour.

But she is criticised for supporting the socially corrosive notions of *economic* individualism and free enterprise. For most writers in *Fascism Today* the corporatism of a Heseltine and the interventionism of a Gould are far more attractive than the economic policies of *the present Government.*

The reader should breathe freely. *Fascism Today* does not exist, however readily a revisionist fascism could be concocted. No publication with such a title could attain respectability. Nazism has inoculated western society against the fascist virus.

Yet Marxism has avoided this fate. *Marxism Today* "the theoretical and discussion journal of the Communist Party" is among the most fashionable periodicals. The ideas of the recently elected leader of the British Communist Party are reported throughout the serious press.

The hypnotic intellectual power of Marxism is one of the most intriguing features of this century. Yet its consequences have been devastating. Even now, when the ruin that it has brought on the societies of eastern Europe is as transparent as the day, it retains an appeal that fascism has entirely lost.

No less a man than Vaclav Havel, the new President of *Czechoslovakia, has said that* after 40 years of Marxism–Leninism "the worst thing is that we live in a contaminated moral environment." Such moral contamination can be blamed on Marx himself, not merely on Lenin, his sorceror's apprentice.

As the distinguished scholar of Marxism, Leszek Kolakowski has pointed out, "the view that freedom is measured by the degree of unity in *society and that class interests* are the only source of social conflict, is one component of *[Marxism]." From this follows* the notion that the abolition of private property "does away with the need for negative freedom, or freedom *tout court*". But an action can be moral only if chosen. Without freedom there can be no morality.

The assault on individual moral autonomy is reinforced by *Marxist historicism*, which implies that whatever strengthens the historically blessed *cause of the working* class is *ipso facto* justified. From these roots sprang all the most despicable features of Marxist totalitarianism, from denunciation of parents by their children to the gulag. *Moral contamination is* an inevitable consequence of the Marxist political "project" (to use a favourite term).

Marx's marriage of materialism with historicism was a product of genius. Yet his prediction that the development of the productive forces and its consequence, the class struggle, would inevitably lead to communism looks more improbable by the day.

Where Marx's intellectual contribution is unquestionable is through his influence on the way we think about the relation between technology, economics and politics. But it is not in his role as a detached *scholar that Marx became* the founder of a secular religion.

In the 20th century a remarkably high proportion of the West's most cultivated people enjoyed a passionate love affair with Marxism's political programme. This infatuation is perhaps to be explained by the sweep of the theory itself and by its promise that history is on the side of utopia.

None the less, intellectuals *of the next century* are likely to be as amazed by this infatuation as are those of today by nineteenth century imperialism. Marxism has no today. It has a past – much of it diabolical.

LETTERS

Productivity gains and unit costs

From Mr W.A.P. Manser.

Sir, Professor Layard ("The fallacy about productivity and pay," January 31) comments that it is a fallacy to think that inflation will fall where productivity gains are not spread equally across the whole workforce. But behind this is there not a greater fallacy still?

Prof Layard assumes that, in any case, the *full productivity* gain will go to the workforce. But if the whole financial benefit is translated into higher wages, unit labour costs cannot, by definition, fall. And if unit labour costs remain unchanged, there can be no effect on inflation. Only if wages do not absorb the whole gain can unit costs decline. Prof Layard's phrasing: "If firms . . . pay higher wages, rather than cutting their prices . . ." confirms this.

Another remark by Prof Layard implicitly stresses a further facet of the same point. He says: " . . . differences in pro*ductivity growth* . . . are mainly due to technological factors and not to the efforts of the workers." It is indeed true that most labour productivity increases stem from the installation of more or better machinery. The idea that productivity is synonymous with a worker using his hammer faster or slower is old-fashioned.

But if productivity improvements are the result of investment, then it is right and important that the financial benefit should be retained by the company, the source of this and future investment funds. The real contrast between the UK and the countries illustrated in the professor's article is that their unit costs are not rising as ours do: hence the lower rates of unemployment.

W.A.P. Manser,
46 Exeter House,
Putney Heath, SW15

The range of Conservative views on Europe

From Mr Bryan Cassidy MEP.

Sir, Joe Rogaly ("Steadying grips on wobbly Europe," January 26) made an error which is sadly all too common in serious newspaper coverage of the meeting which the Prime Minister had with Tory MEPs recently. That was the entirely erroneous assumption that all Tory MEPs think exactly alike about everything. Mr Rogaly's article referred throughout to the "MEPs" without differentiating the out-and-out federalists in the group from those who espouse the more cautious evolutionary (or Thatcherite) *approach.*

On economic and monetary union (Emu) for example, the views of the group range from those who think that it is fundamentally erroneous to link economic and monetary union, through those who would like to see a more positive use of the European currency unit, to those who would like to see a single European currency as early as possible. All these *points of view could equally* well be found among Conservative MPs in the House of Commons.

Bryan Cassidy,
European Parliament,
97-113 Rue Belliard,
B-1040 Brussels

No time for a revival of chauvinist attitudes

From Mr Peter L. Walker.

Sir, When the FT emulates the chauvinist attitude to Europe that has started to permeate the Murdoch media British business is the loser. David Buchan's report on Riccardo Perissich's appointment to head DG4 ("UK defeat in Brussels reshuffle," January 19) was almost objective, but the headline was hardly temperate or sensible.

Arriving in Brussels that *morning* for a meeting of our European consortium, I was greeted by my Belgian, French, *Italian* and Swiss board colleagues with a copy of the article. After 18 years in the European Community and three years painstakingly assembling a partnership embracing 12 European companies, I am now used to jokes about "Britain and Europe" as if there were more than 25 miles of water between us. But the reaction to your story was much more serious. It was seen as signalling a change in atti*tude in an objective, pro-Euro*pean paper, possibly signalling a change in the view of Europe taken by British industry. The single market poses enough problems for industry and commerce. Fostering an anti-British atmosphere on the Continent is more suited to "Argie Bashers" than to the FT.

When it comes to appointments to key posts within the European Commission, if the UK continues to attempt to promote the careers of British civil servants in Brussels, we will never have effective influence. Appointments to director-generalships demand the highest quality people who are the best for the job – not career-blocked UK civil servants with sponsors among *their formal political masters.*

In an earlier report the FT said that Mr Perissich was the best qualified for the job. That made your later headline appear even more intemperate. Even my friends in the Bruges Group do not suffer from such paranoia. Can we return to objectivity soon please.

Peter L. Walker,
Commercial Director,
ECP in Britain,
Museum House,
Museum Street, WC1

Lord Donaldson urged to reject Justinian's advice

From Mr A. Pugh-Thomas.

Sir, Oh for a latter-day Procopius to prick the arrogance of the latter-day, albeit anonymous, Justinian ("The task of rooting out undesirables," January 29). So confident is he of his own judgment that, although not present at the debate, he can call on the Master of the Rolls to "step in and reverse the Law Society's incorrect decision" to refuse to allow a convicted murderer to qualify as a solicitor – a decision reached by the representatives of the solicitors' profession well qualified to take it.

Tempting though it must be for one man to substitute his own decision for that of 34, I hope that Lord Donaldson will resist the temptation to ape a Byzantine autocrat.

A. Pugh-Thomas,
12 Castello Avenue,
Putney, SW15

Opportunities for investment choice

From Mr M.J. Hart.

Sir, Mr Fairbairn (Letters, January 30) must be turning a blind eye to his sense of history in suggesting that only *unit trusts are suitable for* mass marketing. The 1868 prospectus for The Foreign and Colonial Investment Trust, which I have managed for the past 20 years, was specifically designed to provide "the investor of moderate means with the same opportunity as the rich capitalist."

Marketing regimes are a matter for the regulators and we await the Securities and Investments Board's important retail review with interest. To suggest, however, that investment trusts and unit trusts must be "subject to the same stringent regulations" neglects a fundamental difference between an *open-ended vehicle* (a unit trust) and a closed-end vehicle (an investment trust). Unit trust investors faced with forward pricing, redemption problems at Dumenil, or dealing in October 1987, may be surprised to learn they "can at all times redeem their units at asset value on demand."

At a time when wider ownership is seen to be of increasing importance, Mr Fairbairn should welcome the role of investment trust savings and investment schemes, which The Foreign and Colonial Investment Trust pioneered in the UK. His enthusiasm for competition should surely *encourage a proper opportu*nity for choice by increasingly sophisticated consumers: let them decide, on the basis of past performance and costs, which vehicle they prefer.

M.J. Hart,
Director,
Foreign & Colonial
Management Ltd,
1 Laurence Pountney Hill, EC4

Market forces

From Mr G.D. Hagelberg.

Sir, The Royal Bank of Scotland has just charged me £10 commission, equivalent to 3.89 per cent, to collect and credit to my account in London a sterling cheque for £257 drawn on a German bank.

Is that how common markets work?

G.D. Hagelberg,
38 Mansfield Road,
Gospel Oak, NW3

FINANCIAL TIMES
Friday February 2 1990

CAR MAKER'S EUROPEAN STRATEGY

Nissan may export cars to Japan

By Kevin Done, Motor Industry Correspondent, in London

NISSAN MOTOR is considering exporting cars from its UK assembly plant to Japan, the first such move by a Japanese vehicle maker to ship products there from Europe.

Later this year Nissan, Japan's second-largest car maker, will embark on a significant change in its European product strategy, with the replacement of its ageing UK-built Bluebird saloon and hatchback range, which began production in the UK in 1986.

The new car, to be called the Primera in Europe and in Japan, was unveiled yesterday in Tokyo and will be launched in Europe in the autumn in a determined effort to take the company further up market. The new car will also be launched in the autumn in the US market under the group's new US luxury car franchise as the Infiniti G20.

The launch of the same model as an entry-level car under the Infiniti luxury car marque in the US is a clear indication of the group's determination to use the Primera upper medium car range to take Nissan decisively up market in Europe.

The Primera will be produced at two plants, one in Japan and one in the UK, with the Sunderland plant as the sole source for the European market.

Japan will accept continued curbs on its car exports to the EC after 1992 but not after 2000. A statement issued in Tokyo came as European foreign ministers prepare to try to forge a common policy on opening the market to Japanese car imports before 1992. Average EC market share for Japanese car imports is 10 per cent, but in Denmark and Ireland it is 30 per cent.

At the same time the UK plant will be the sole world source for the Primera hatchback model, the car that Nissan is considering for export to Japan.

The company has begun an engineering and marketing study for the project, which would include minor re-engineering of the European product to meet technical specifications for the Japanese domestic market. The company is considering initial export volumes to Japan of 2,000-4,000 a year, with first shipments possibly in 1991.

Some Japanese car makers are already exporting cars to Asia from assembly plants in the US, with Honda exporting to Japan and Toyota exporting US-built cars to Taiwan. The Primera range will be crucial to the future of Nissan's £617m (just over $1bn) UK car plant, the first Japanese car plant to be built in Europe.

The UK-built Primera, which will be launched in both four-door saloon and five-door hatchback versions with a range of high performance 1.6 and 2.0 litre 16-valve, twin cam engines, will spearhead the company's growing assault on continental European markets.

The car will pose stiff competition in Europe for ageing rivals such as Ford's Sierra as well as more recent introductions such as the Opel Vectra/Vauxhall Cavalier and the Volkswagen Passat.

Mr Yutaka Kume, Nissan president, said that Nissan was aiming to sell close to 220,000 a year of the new Primera/Infiniti G20 range worldwide, of which around 102,000 would be sold in Europe, 60,000 in Japan and 54,000 in the US.

In Japan, the Primera will replace the existing Nissan Auster and will be available in 1.8 and 2.0 litre versions. Capacity for the Primera at the Sunderland plant of more than 100,000 a year should be reached in 1991.

It is expected that around half of the production will be aimed at the UK market, with the balance going to continental European markets as well as small volumes to Japan.

The UK-built Primera, which is planned to reach a local (European Community) content of at least 80 per cent, will be crucial to the company's efforts to increase its sales in markets such as Italy, France and Spain, which currently have tight restrictions on direct car imports from Japan.

Nissan began exports of UK-built Bluebirds to other European markets in October 1988. UK output totalled 77,000 last year of which 44 per cent was sold in continental Europe.

A second small Micra-class car range with a 100,000-a-year capacity will be added at Sunderland in 1992, bringing total capacity at the plant to more than 200,000 a year.

The Primera marks a further radical departure for Nissan towards far more adventurous, aerodynamic and sporty styling.

EC plans regular exhaust catalyst tests

By Tim Dickson in Brussels

REGULAR checks on vehicle catalysts - devices being fitted in growing numbers to meet tougher European Community car exhaust standards - will be made mandatory throughout the EC if member states adopt a plan announced in Brussels yesterday.

Mr Carlo Ripa di Meana, the EC's Environment Commissioner, unveiled the idea for a compulsory scheme at the opening ceremony of a new catalyst plant just outside the Belgian capital.

"Like everything else including, alas, ourselves," Mr Ripa di Meana told his audience, "catalysts become less efficient as they become older. Regular checks on their working efficiency are therefore vital if the (EC's) emission standards are to be complied with on a continuing basis."

Brussels officials say that the need for regular technical checks is highlighted by experience in the US, where some car owners deliberately disconnect their "cats" because they are expensive to run.

The Commission's latest initiative will not only have implications for those EC countries which do not already have a technical control system for vehicles. It is likely also to provide a big boost for those companies supplying "cat" testing equipment. Industry estimates point to a market in the mid-1990s of more than 20m vehicle catalysts a year.

Mr Ripa di Meana said that he hoped proposals for stricter emission standards for cars over 1.4 litres will be approved "during this year". He also argued that industry should not be afraid of higher environmental standards.

Yugoslav army units sent into Kosovo

By Judy Dempsey in Belgrade

Tanks enter Glogovac, Kosovo province, yesterday after clashes between police and demonstrators

THE army was called out in a show of force yesterday in Yugoslavia's southern province of Kosovo as more people died in clashes between security forces and ethnic Albanians.

Six were killed following clashes between police and demonstrators. A girl was killed in the town of Podujevo, scene of some of the fiercest clashes, while an adult was killed in Magura.

Tanks were seen moving towards the Kosovo-Albanian border and fighter jets flew low over Pristina, the provincial capital. But the army did not fire shots or use any force against the demonstrators.

The local authorities in Kosovo sent local army units on manoeuvres throughout the region in what is regarded as a show of force and a possible back-up to police facing continued demonstrations by ethnic Albanians.

The units, which are ultimately answerable to the Federal authorities, had remained in their barracks since ethnic Albanians took to the streets 10 days ago demanding free elections and an end to the state of emergency.

Any full deployment of the army requires agreement by the Federal State Presidency, which during a meeting earlier this week ruled out sending in the Federal army to contain the violence between the police and the ethnic Albanians. The army remains reluctant to be drawn into the Kosovo conflict which has already officially claimed 19 lives.

Meanwhile, the Federal State authorities yesterday said they would not tolerate any "separatist or nationalist" forces which hindered the economic and political reforms, but instead indicated it would negotiate with movements which upheld the constitution and the territorial integrity of the Yugoslav Federation.

Soviet workers threaten strike

Continued from Page 1

union leader in Pskov as saying: "We must always be aware of what we gain and lose when we adopt such resolutions, and what we gain in this case is clear – more social tension."

However, a decision by the unions to strike could bring them into direct conflict with legislation passed by the Soviet parliament after the summer's miners' dispute, banning strikes in certain crucial sectors of the economy. The law banned strikes in the transport, fuel, energy and defence industries and in other sectors where stoppages could have "serious and dangerous consequences."

However, union leaders may favour taking a radical stand as a means of retrieving some of the credibility with workers they lost during the miners' strike, where unofficial strike committees took the lead.

Stockholm refuses to intervene in bank dispute

By Robert Taylor in Stockholm

THE SWEDISH Government yesterday refused a request by industrial leaders to intervene in a dispute that has closed the country's banks since Monday.

The industrialists fear the conflict will have a serious impact on business if it persists. But Mrs Mona Sahlin, the Labour Minister, said: "It is the two parties in the dispute who have responsibility for a settlement."

The banks locked out their 50,000 employees in retaliation for a union decision to call on its 1,500 members in foreign financial transactions to strike. The union is seeking a 15 per cent pay rise for bank workers with a rise of Skr2,800 ($450) a month for the lowest paid.

The mediator trying to resolve the bank conflict called on the two sides to meet him this afternoon with the prospect of a resumption of peace efforts over the weekend. The bank union has rejected the mediator's last offer of an increase of 8.25 per cent.

● Finnish banks yesterday locked out employees following their refusal last week to make transfers between banks as part of their campaign for a 10 per cent wage increase, writes **Enrique Tessieri in Helsinki.**

The employees refused a mediator's proposal for a 6.2 per cent rise, and Mr Esko Ollila, a Bank of Finland official, said the wage dispute might take two weeks to resolve. The bank employees plan to strike on February 15 if their demands are not met.

The lock-out is expected to put a strain on state-owned Postipankki, the only bank to keep its doors open during the dispute.

Sale of IMF's gold opposed

Continued from Page 1

income. Countries in arrears would then adopt an IMF programme to build up enough credits to have their arrears paid off by the pool. Such countries' quotas would then be reconstructed and they would return to full IMF membership.

Opposition seems likely to be strong. The Bundesbank, which holds West Germany's gold reserves, believes the selling of IMF gold would provide an undesirable precedent because it smacks of debt forgiveness, which should not be countenanced.

Depending on how strongly the US pushes the idea, it seems likely to further delay the talks on the quota increase, which were delayed until last year by the US refusing to agree to discussions on an increase. Agreement on the plan would need accord from 85 per cent of the IMF's 152 members.

Japanese land prices will be held, says Mieno

By Stefan Wagstyl in Tokyo

MR Yasushi Mieno, the governor of the Bank of Japan, yesterday stated his determination to curb the threat of a resurgence in land prices.

A further rise would widen the gap between the haves and have-nots and increase social injustice, he told Japanese and foreign businessmen yesterday. It would also harm the country's economic strength and raise the risk of fuelling inflation, he said.

Mr Mieno's comments were unusually outspoken for a Japanese central bank official, especially as the country is in the midst of a general election campaign.

However, Mr Mieno has made clear since he took office last autumn that he is not afraid of confronting politicians.

Last December, he fought off an attempt by Mr Ryutaro Hashimoto, the Finance Minister, to delay a planned increase in the official discount rate.

Yesterday, Mr Mieno said complex reasons lay behind upward pressure on land prices, including tax policy and the attitude of financial companies. Financial institutions should not hand land over to speculators.

Comprehensive measures were necessary, as envisaged in the Basic Land Law, a reform act, passed by the Diet (Parliament) last December. However, the law was not yet being put into effect. "Should we sit back? The answer is 'no'," said Mr Mieno.

By monetary policy alone, the central bank could not suppress land prices. "But that doesn't mean we should not do it."

● The Bank of Japan forecasts in a report published this week that economic growth will slow.

Personal consumption will overtake private plant and equipment investment as the chief engine of economic growth, but the rate of increase is expected to decline in the second half of the 1990 financial year, which begins April 1, it said.

The report emphasises the bank's concern about the risk of a possible resurgence in inflation, warning that it is necessary to keep a watch on labour shortages, the rise in lending, the stability of the yen and import cost increases in order to preserve price stability.

The central bank's predictions are echoed in a survey carried out by the Industrial Bank of Japan, which also forecast a slight slow-down due to the impact of rising import costs, labour shortages, higher interest rates and a deceleration in US growth.

However, the report's authors say there is little serious cause for concern. After four years of expansion it was normal for the economy to slow to take account of constraints, particularly the lack of labour.

IBJ said that most big companies would easily cope. Small and medium-sized companies would suffer profit declines as they tried to control higher costs.

WORLD WEATHER

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	C	14	57	Dubrovnik	F	15	59	Malta	C	15	59	Rhodes	S	16	61
Algiers	[illegible]	[illegible]	[illegible]	Edinburgh	S	[illegible]	[illegible]	Manchester	F	6	43	Rio de J'o	S	38	101
Amsterdam	C	9	48	Faro	S	16	61	Manila	F	31	88	Rome	R	14	57
[illegible]	F	15	59	Florence	C	8	46	Melbourne	R	13	55	Salzburg	F	5	41
Bahrain	–	–		Frankfurt	F	10	50	Mexico City	F	23	73	San Francisco	S	7	45
Bangkok	F	33	91	Funchal	C	17	63	Miami	F	23	73	Seoul	[illegible]	0	32
Barcelona	F	12	54	Geneva	C	9	48	Milan	C	6	43	Singapore	F	31	88
Beirut	–	–		Gibraltar	S	15	59	Montreal	C	-5	23	Stockholm	[illegible]	5	41
Belfast	F	6	43	Glasgow	S	7	45	Moscow	C	0	32	Strasbourg	C	10	50
Belgrade	S	13	55	Guernsey	F	8	46	Munich	S	5	41	Sydney	Dr	23	73
Berlin	[illegible]	10	50	Helsinki	Dr	2	36	Nairobi		–	–	Taipei	R	19	66
Biarritz	S	13	55	H. Kong	C	11	52	Naples	F	14	57	Tangier	C	13	55
Bombay	S	29	84	Innsbruck	F	9	48	Nassau	F	28	82	Tel Aviv	F	13	55
Bordeaux	F	13	55	Inverness	S	7	45	New Delhi	S	21	70	Tenerife	[illegible]	21	70
Brussels	F	10	50	Istanbul	F	21	70	New York	[illegible]	3	37	Tokyo	Sn	1	34
Budapest	Fg	5	41	Jakarta	R	30	86	Nice	C	15	59	Toronto	[illegible]	[illegible]	[illegible]
B. Aires	F	33	91	Jersey	F	10	50	Nicosia	F	18	64	Tunis	F	15	59
Cairo	F	18	64	Jo'burg	F	26	79	Oporto	C	11	52	Valencia	S	15	59
Cape Town	[illegible]	31	88	Lima	F	26	78	Oslo	F	7	45	Venice	C	9	48
Caracas	R	26	79	Lisbon	F	14	57	Paris	F	10	50	Vienna	C	5	41
Casablanca	F	17	63	London	S	9	48	Peking	S	[illegible]	[illegible]	Warsaw	S	[illegible]	[illegible]
Chicago	R	7	45	Los Angeles	C	12	54	Prague	C	4	39	Washington	S	2	36
Cologne	C	10	50	Luxembourg	C	6	43	Reykjavik	F	2	36	Zurich	S	[illegible]	46
Copenhagen	S	6	43	Madrid	S	7	45								
Corfu	[illegible]	18	64	Majorca	R	11	52								
Dallas	T	17	63	Malaga	S	15	59								
Dublin	[illegible]	7	45												

Readings at mid-day yesterday

C-Cloudy Dr-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

Kohl rejects German neutrality plan

Continued from Page 1

the past categorically ruled out a neutralised Germany. The US, in fact, suggested last month that East Germany would have to join Nato if it united with West Germany, an idea rejected by Mr Hans-Dietrich Genscher, the West German Foreign Minister.

Mr Genscher is expected to visit Washington today for talks with Mr James Baker, the US Secretary of State, to discuss West Germany's position on unity.

Mr Modrow gave no timescale for his plan but noted that the "hour has come" to draw a line under the Second World War and conclude a German peace treaty.

In Berlin, joy at the prospect of unification was tempered by doubts about the four-step unity plan.

A significant minority of people in both halves of the city said they were worried about the possible re-emergence of a German superpower and the effect on East Germany's 16m population.

● West German shares jumped nearly 2 per cent in hectic Frankfurt trade on Thursday, boosted by fresh market enthusiasm over reforms in East Germany and the possibility of a reunification of the two Germanys, Reuter reports from Frankfurt.

"There are so many undreamed of opportunities linked to the opening of East Germany," said one trader. "If reunification came about it would be tremendous for West German firms."

Dealers said comments from Mr Modrow after the bourse closed held out the prospect for further strong gains on Friday.

THE LEX COLUMN

Mr Lawson banks on Barclays

The tightness of UK policy is becoming increasingly apparent, with the bond markets steadying and sterling continuing to recover. There is confirmation, too, at the quoted company level: another bankruptcy yesterday, three profits warnings and two abrupt departures by chief executives.

Barclays

It is little wonder that Barclays' share price is at an all time high. On the day it sacked a dozen brokers at its BZW merchant banking subsidiary, it has replaced them with an ace part-time salesman. What broker could have pulled off Mr Lawson's trick of selling the Government's stake in BP at 120p, then be hailed as one of the shrewdest financial brains around on agreeing to buy it back at 70p less than a month later? This sort of *chutzpah* is greatly admired on Wall Street, and fits in well with Barclays' undisguised ambition to entrench itself as Britain's leading commercial bank.

The retail banks have been feeling increasingly victimised by the present Government. The rows over student loans, the Third World debt matrix, credit cards and local authority swaps must have made some of them them wonder if it would not be worth making some serious political contributions again. However, Barclays will doubtless intend to use Mr Lawson as more than a highly paid political lobbyist, especially since he has never been a clubbable politician like NatWest's Lord Boardman anyway.

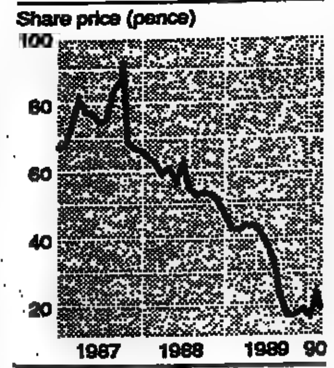
Mr Lawson's two biggest assets are his contacts book, especially its international entries, and the undoubted power of his intellect. He may lack managerial experience but his duties are non-executive; and Barclays, so it says, has no intention of changing that.

MFI

Despite its halfway loss of £8m, MFI still looks the stores buyout most likely to succeed. Part of the secret lies in having got in early, not only with the original buyout but with the refinancing. The company now claims to be able to stand base rates one or even two points higher without further cash injection. It helps that the original management team remains in apparent harmony; and perhaps above all, the business is making an operating profit equal to three-quarters of the interest bill. If the recovery in consumer demand continues – and MFI says its sales have been back on an even keel since Christmas – gearing could soon be a benign force again.

GPG

Share price (pence)



Generalisations are the harder because MFI is a sounder business than most of its rivals and fellow-sufferers. Acquiring its supplier at the time of the buyout, thus combining operational and financial gearing, could have been suicide. But the manufacturing operation seems flexible enough to allow variable costs to come down faster than fixed costs are rising – a formula which has yet to be repeated in the retailing business itself. The move up-market with the Schreiber and Hygena brands seems meanwhile to have increased market share with little cost to gross margins. If, as still promised, MFI is to come to the market within three years, Asda's 25 per cent could yet prove a windfall.

GPG

Sir Ron Brierley's IEP must be joking in telling us how eager it is to rejuvenate the small financial services outfits which are left of Guinness Peat. Wednesday's annual report from GPG, a strangely lavish document for a such a rump of a company, suggests there must be some more compelling motive for IEP's rock-bottom 17p per share bid. One of GPG's businesses is an Oregon life insurance broker with a client base of savings and loans, three of them in Queer Street; the other a Texas fund manager, which last year GPG could not sell to its management at a decent price.

More likely, IEP is after GPG's net cash of $89m, plus perhaps its Stock Exchange quote as an apt raiding vehicle for Sir Ron in London's next bull market. Unfortunately, IEP is vague on whether or not it wants to keep GPG's listing; and that leaves its public shareholders, with 39 per cent, in a quandary.

In terms of price, at about 1.2 times net assets the bid is an insult. But it is also the only thing on offer, especially since the 28 banks who owned the other 61 per cent of GPG have already sold to IEP. This is understandable banking behaviour, since the 28 have now got back almost all the £100m they lent to GPG's former owners. But GPG's other shareholders, Mr Maxwell and Lord Kissin at their head, must decide whether it is worth not accepting the bid and taking the risk of a ride with Sir Ron.

Electrolux

It is not just in the UK that consumer markets have been suffering. Electrolux's profits, down 18.6 per cent in the fourth quarter, illustrate the gloomy state of the US and Italian white goods markets as well. The fact that the Swedish group increased its dividend by just 8.7 per cent, compared with the more recent 15 per cent norm, suggests the prospects for 1990 are little better. The mere 3.4 per cent fall in annual profits owes much to some SKr400-SKr450m of profits on disposals.

But in accordance with good business school principles, Electrolux is not stinting on its investment programme, despite the downturn. Several billion kronor are being ploughed into refrigeration, washing machine and dishwasher plants; the costs have reduced interest cover from four to three times.

Shareholders will doubtless appreciate this spending in the long term; in the short term they might be entitled to expect more progress from the non-white goods divisions, which represent half of sales. That, after all, is what diversification is supposed to be about. But a combination of weak demand in building products and higher aluminium oxide prices mean that earnings are likely to be flat this year. Although the Wallenberg stake means that the group is safe from hostile unbundling, someone ought to question whether the group's six-divisional spread is maximising shareholder value.

INSIDE

Desperately seeking the fruits of success

Mr Michael Spindler (left), new chief operating officer at Apple Computer, has a way to go to live up to his reputation as a "brilliant operations strategist." Apple is in sober and down-beat mood at its failure to meet its sales and earnings projections over the Christmas quarter, and is recognising weaknesses in product and management. Louise Kehoe reports on the critical role Mr Spindler will play. Page 17

Jewel in Hafslund's crown

Hafslund Nycomed, with estimated sales last year of NKr3.1bn ($479m), is a minnow in the $130bn-a-year international drugs industry. But it has one gleaming jewel in its crown: Omnipaque, a contrast fluid used in X-rays. Last year Omnipaque accounted for roughly 70 per cent of the group's pre-tax profit. The company's goals now are to expand its marketing network and introduce new products. Page 16

Golden image tarnishes

Union leaders, government and public alike are bemoaning the deterioration of Malaysia Airlines System's "golden service." Although the carrier's financial performance over the last two years has been solid, it has been stretched by an expanding network, passenger growth, an ageing fleet and too few staff. Page 18

Can pay, want to pay

Companies are increasingly pressing banks to introduce a procedure for electronic payment of bills, but such a system poses an enormous challenge for banks. The problem is documentation: when a payment is made from a corporate bank account, the corporate finance department needs a remittance advice to balance the books. Page 23

Grassroots farming

Romanian farmers are confused but excited following the overthrow of a Communist system that replaced peasants and landlords with more than 4,000 co-operatives and state farms. The interim government has plans to hand back 2m hectares of co-operative land to the peasants, who will be able to grow whatever they want and will no longer be obliged to sell crops to the state. Page 24

Market Statistics

Companies in this section

Chief price changes yesterday

FRANKFURT (DM)

Rises			
Commerzbank	317.5	+	15
Daimler-Benz	870	+	37
Deutsche Bk	823	+	8.5
Dresdner BK	431	+	13.2
Lufthansa	230	+	11
Siemens	759	+	21

NEW YORK ($)

Rises			
Compaq Computer	$80\frac{1}{4}$	+	$4\frac{3}{4}$
Falls			
Caesars World	$23\frac{1}{8}$	−	$1\frac{1}{2}$
Di Giorgio	$25\frac{3}{4}$	−	$1\frac{1}{8}$
First Inter	$37\frac{1}{8}$	−	$\frac{7}{8}$
Hilton Hotels	$57\frac{1}{2}$	−	$4\frac{1}{4}$
Holiday	$57\frac{1}{2}$	−	$2\frac{1}{8}$

New York prices at 12.30pm.

PARIS (FFr)

Rises			
Axa Midi	310	+	22
BP France	197.9	+	9.3
ELF	561	+	14
Societe Gen	537	+	15
Total	550	+	18
Falls			
St Gobain	570	−	5

TOKYO (Yen)

Rises			
Fudo Const	1330	+	170
Miyaji Iron	1150	+	120
Nihon Sugar	1250	+	200
Taihei Paper	1130	+	120
Tobu Store	2430	+	330
Tsurumi MFG	1820	+	220

LONDON (Pence)

Rises			
ABB Kent	168	+	35
Barclays	586	+	10
Brit Aerospace	560	+	70
Brit Telecom	$305\frac{1}{2}$	+	$4\frac{1}{2}$
Carlton Comms	776	+	8
Comm Union	513	+	14
Gen Accident	1168	+	22
LASMO	635	+	6
Triton Europe	228	+	34
Falls			
Cable Wire	535	−	8
Grand Met	608	−	9
FR Group	194	−	28
Kingfisher	276	−	6
Laing Props	550	−	24
Sedgwick	295	−	8
Sock Shop	550	−	15

Electrolux profits slip by 3% to SKr3.6bn

By Robert Taylor in Stockholm

ELECTROLUX of Sweden, the world's leading white goods manufacturer, yesterday reported a 3 per cent fall in 1989 pre-tax profits from SKr3.72bn to SKr3.6bn ($590m). It plans to raise its annual dividend from SKr11.50 a share to SKr12.50.

The latest result, struck after financial items, was much better than had been predicted by analysts, but included non-recurrent items which generated a net contribution to earnings of around SKr100m to SKr200m. Mr Anders Scharp, president and chief executive, said there would be a consolidation in performance this year.

Sales rose by 15 per cent in 1989 to SKr85bn from SKr73.96bn. The return on equity after full tax was 17 per cent compared with 19 per cent in the previous year.

In the fourth quarter of 1989, profit after financial items fell to SKr938m from SKr1.152bn a year earlier, while sales rose to SKr20.94bn from SKr19.87bn.

Electrolux said the demand for white goods, which represent 52 per cent of its product sales, continued weak in the final quarter of 1989, particularly in the US, Britain and Italy.

The North American market, where the company sells a third of its production compared with 38 per cent inside the European Community, was highly competitive. Electrolux said there had been a "considerable decline in sales volume for leisure appliances" in the US.

However, Mr Scharp also indicated that there was still strong demand for white goods in Continental Europe, notably in West Germany. Total sales for household appliances rose 6 per cent in 1989 to SKr43.7bn from SKr41.1bn.

In other business areas the company's sales performance was much better. In outdoor products there was a 69 per cent improvement in sales last year to SKr8.4bn from SKr4.96bn in 1988.

A 20 per cent growth in sales of industrial products was also recorded as well as an 18 per cent improvement in commercial services sales and 17 per cent in building components.

Electrolux added that extensive efforts had been made last year to strengthen long-term competitiveness in its core business areas. As a consequence charges had been taken against earnings, with substantial costs for new production facilities and development of new products.

Lex, Page 14

Puma changes hands again

By John Burton in Stockholm and Andrew Fisher in Frankfurt

PUMA, the troubled West German sporting goods concern, is changing hands again – less than a year after it was purchased by Cosa Liebermann Holding, a Swiss-run trading company which operates out of Hong Kong.

Aritmos, Sweden's leading sports equipment company, said yesterday it had bought 49 per cent of Puma's voting shares from Cosa Liebermann for SKr335m ($55m), with an option for a complete takeover next year.

Aritmos claims the deal will make it the world's fourth-largest sports shoe and clothing company with annual sales of SKr5.5bn, placing it behind Adidas, Reebok and Nike.

If Aritmos acts on its option, it will acquire full voting power in Puma and 72 per cent of its equity. The remaining 28 per cent of Puma's capital stock is traded on the West German stock exchange as preference shares, which will be unaffected by the deal. These were trading at DM385 yesterday.

The preference shares, which were issued in the summer of 1986, had soared to more than DM1,500 before the collapse of sales in the US which plunged the company into the red that year.

With Puma's shoes trailing badly in the battle for US consumers' attention, the company brought in outside management. Mr Armin Dassler, who owned the company with his brother Gerd, had already stepped down as chief executive because of ill-health. Their father, Rudolf Dassler, had founded Puma after quarrelling with his brother Adi, founder of Adidas, the rival sports shoe company.

Having worked strenuously to recover from its US sales debacle, Puma expects a break-even result for last year, after three years of losses, and a small profit gain in 1990.

Mr Ingvar Wenehed, Aritmos' chief executive, said one of the benefits of the takeover would be improved savings on shoes purchased from subcontracted manufacturers.

Bulk purchases by Aritmos would total 30m pairs of shoes, lowering the purchase price by 5 US cents per pair and raising profits by about SKr9m.

Despite fierce competition in the US market, Mr Wenehed predicted that sales of Puma soccer shoes could grow there due to increased American interest in the sport resulting from its participation in the World Cup this year and its hosting of the event in 1994.

Aritmos reported a profit of SKr325m on sales of SKr3.4bn in 1988 and predicts a profit of SKr525m for 1989. Previously involved in food processing and financial management operations, Helsingborg-based Aritmos did not enter the sporting goods sector until 1981 when it purchased another Helsingborg company, Tretorn, which specialises in tennis shoes in addition to tennis balls.

It expanded its sporting good business to the US in 1986 when it bought Etonic, which markets golf and running shoes from Colgate-Palmolive.

Nearly a year ago, Puma sold its US operation to the local management, who renamed it Sports Enterprises. Aritmos has also purchased this company to allow it to market Puma's products in the US through its own subsidiary, Tretorn/Etonic.

No need to refinance, says MFI

By Maggie Urry in London

THERE IS no need for any further cash injection at MFI, Mr Derek Hunt, chairman of the kitchen and bedroom furniture retailer, said yesterday.

Although market conditions had not improved, Mr Hunt said, "trading in the five weeks since Christmas has been most encouraging."

On a "like-for-like" basis, he said, trading was "only just below that of last year." It was not until last March that trading turned down sharply, affected by high interest rates which hit consumer confidence and cut activity in house moving – more money is spent on MFI goods when people change properties.

Mr Hunt said the group had adequate working capital and that "whatever the immediate future brings, we can more than see it through with our present financial arrangements."

He said the group could cope if interest rates rose again and that he hoped to float the company within three years.

MFI was bought out by its management in November 1987 for £718m ($1.15bn). It ran into problems last summer after the trading downturn left it unable to meet an interest payment in August.

A £35m rights issue and a deferral of £60m of debt repayments were agreed with bankers and investors. The group was yesterday formally reporting interim results for the period up to November 11, 1989.

These were released when its 25 per cent shareholder Asda, the food retail group, announced its interim results in December.

Mr Hunt called the figures disappointing. On sales little changed at £304m, operating profit fell by 55 per cent to £22.1m and, after an interest charge of £30.1m (£25.5m), pre-tax losses were £8m (profit £24.6m). The figures included a £2.3m extraordinary debit which Mr Hunt said was the cost involved in the group's refinancing in August.

Mr Hunt said that MFI had been mentioned alongside "certain other retailers in our market sector" which are "suffering far more severe financial problems."

He was understood to be referring to Lowndes Queensway, the furniture and carpet group, and Magnet, the kitchen and bedroom retailer.

Unlike these other companies, Mr Hunt said, MFI did not refinance until 21 months after its management buy-out and "will only re-finance once."

Lowndes has recently tied up its second refinancing, while Magnet's buy-out took place only last summer.

Mr Hunt also said that MFI was still reporting operating profits and that "we still have the same team of directors – all of them – that were behind the management buy-out."

Mr John O'Connell, managing director, said that the group had been able to cut its variable costs, though not by as much as fixed costs had risen. The manufacturing plants were operating well above their break-even level, he said.

Mr John Randall, finance director, said the group had about £500m of debt, of which 60 per cent was at fixed-interest rates which would begin to unwind in May.

The group's interim preference dividend, of £6.5m, had been deferred to preserve cash and capital expenditure had been held down.

Lex, Page 14

Tony Andrews

John Randall, left, finance director of MFI, talking to Derek Hunt, chairman and chief executive, at the presentation of yesterday's interim results in London

Brierley in £55m bid for UK group

By David Lascelles in London

SIR RON Brierley, the New Zealand businessman, emerged yesterday as the potential buyer of GPG, the trouble-prone UK financial services group, with an offer valuing it at £55m ($91.9m).

If the bid succeeds, it would mark the closing chapter in a decade-long saga of turmoil at GPG, formerly known as Guinness Peat Group, where nearly two-thirds of the shares are in the hands of bank creditors.

The bid is being made by Industrial Equity (Pacific), the international investment vehicle of Brierley Investments Ltd (BIL). IEP is offering 17p per share. Although this is below GPG's recent trading price of 23p, it is above its net asset value of 14.3p per share. The shares closed last night at 19p, down 4p.

The bid has been irrevocably accepted by SM Nominees, the group of 28 banks headed by Samuel Montagu which owns 61 per cent of GPG.

It came by the stake when Equiticorp, the New Zealand conglomerate headed by Mr Alan Hawkins, went into voluntary liquidation a year ago. Equiticorp owned 61 per cent of GPG and had pledged the shares as security for a £100m loan from the banks.

The other leading shareholders are Mr Robert Maxwell, the UK publisher, with 14.9 per cent, and Lord Kissin, the founder of the Guinness Peat Group with 5 per cent. Neither made any immediate statement about their intentions yesterday.

Following a series of divestments last year, GPG's principal asset is a cash pile worth $141m and two businesses, Management Compensation Group in Oregon and Eagle Trust and Management in Houston. The company shifted its headquarters to Portland, Oregon last year.

In 1989 GPG made a net profit of $17.3m excluding $46m of extraordinary profits from the sale of subsidiaries.

Mr Stuart Mitchell, IEP's UK representative, said the company was making the bid because it believed that the value of GPG could be enhanced by more forceful management.

He denied that there was any intention to break up the group and said that IEP intended to work with the management of the component companies.

IEP expected the bid to result in the delisting of GPG, he said. But if insufficient acceptances were received IEP would be willing to continue with GPG as a quoted company.

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Sock Shop warns of loss for year

By Maggie Urry in London

SOCK SHOP International, the UK hosiery retailer, said yesterday that it expected to make a "material loss" in the year to February 28, compared with a £2.4m ($4m) pre-tax profit in the previous 12 months. The group's shares, quoted on the Unlisted Securities Market, dropped 15p to 50p, valuing the group at £11m.

Last month Sock Shop revealed that it was in talks about a refinancing of the group and was planning a restructuring of its loss-making US business. Yesterday it said these talks were continuing and its bankers were continuing their support.

Mr Peter Moss, director of corporate development, said he could not expand on the statement or define "material." He hoped the group could say more about the refinancing when interim results were announced on February 9. Analysts said the annual loss could run to several million pounds.

It is expected that an outside investor will inject equity capital into the group, perhaps reducing from 80 per cent to under 50 per cent the stake held by Ms Sophie Mirman, chairman and joint managing director, and her husband, Mr Richard Ross, joint managing director. The group has heavy borrowings it wants to reduce to be able to expand in Europe.

Analysts are expecting the interim figures, to August 31, to show a loss, as trading in the summer period was hit by hot weather and transport strikes, as well as high interest rates depressing consumer spending and raising the group's interest charges. Mild autumn weather is also thought to have hit trade.

Rapid growth gives way to losses and closures

1983 Sock Shop founded by Ms Sophie Mirman and husband Mr Richard Ross: they earlier helped build the Tie Rack chain.

May 1987 Sock Shop floated on USM, valued at £27.5m ($45.9m) by offer price of 125p. Forecast pre-tax profits of £1.65m for year to end-September 1987. Offer subscribed 53 times; share price closed at 257p on first day.

Dec 1987 First shops open in Manhattan.

Jan 1988 Annual profits of £1.8m announced, beating flotation forecast.

Jan 1989 A 43 per cent rise in annual profits to £2.62m reported.

July 1989 First signs of trouble appear when profits for 12 months to end-February fall from £2.5m to £2.4m. US stores incur a £677,000 loss.

Dec 1989 Company announces closure of US shops and negotiations with a potential partner.

Jan 1990 Sock Shop announces that it is in talks with bankers about a refinancing and expects a write-off in the US.

Feb 1990 Warns of a "material" loss for year and continuing talks with bankers.

ABB buys remainder of UK arm

By Andrew Hill in London and John Wicks in Zurich

SHARES in ABB Kent (Holdings) leaped 25 per cent yesterday after Asea Brown Boveri (ABB), the Swiss-Swedish engineering group which holds a majority stake, made an offer for the UK-based company's remaining shares.

ABB owns 54.5 per cent of ABB Kent, the world's second-largest manufacturer of water meters, and will pay 178p in cash for each of the remaining shares. That values the company at £135m ($225.5m). The shares rose 35p to 168p in London yesterday.

ABB Kent makes valves, meters, industrial measurement and process control equipment and has been building up its European water meter business in the last year. Only Schlumberger, the US oil services group, makes more water meters.

The company is also expecting strong growth in the UK market. The newly privatised British water companies will be unable to use rateable value, the traditional basis for water charges, beyond the end of the century and many are considering metering as an alternative.

Mr Sune Carlsson, executive vice-president of ABB in Zurich, said some of the British company's activities such as process automation and instrumentation overlapped with those of ABB's new US subsidiary, Combustion Engineering, which it bought last year.

Given a highly competitive market and rapidly changing technology, said Mr Carlsson, there was a clear need for the co-ordination of product development, manufacturing and marketing, in the interests of economies of scale.

In 1988, ABB Kent made £8.0m before tax on sales of £130m. Meters represented about 40 per cent of turnover.

Brown Boveri Group, which merged with Asea two years ago, bought its stake in George Kent in 1974.

The entire ABB group, a highly diversified engineering concern, had sales of $17.83bn for the whole of 1988 and $15.91bn for the first nine months of 1989, 21 per cent up on the corresponding period the year before.

Hachette invites bids for prime Paris real estate

By George Graham in Paris

HACHETTE, the French publishing group, has put its newspaper distribution centre, a substantial building in the heart of Paris, up for sale.

The building is expected to represent one of the biggest real estate transactions in the French market this year.

Banque Arjil, the investment bank controlled by Mr Jean-Luc Lagardère, Hachette's chairman, is inviting bids for the property in a two-round auction to be completed by April, with a minimum bid of FFr1.7bn ($296.7m).

Paris property specialists expect that the building, occupied until 1991 by Nouvelles Messageries de la Presse Parisienne (NMPP), the leading French newspaper distributor, could fetch substantially more than this minimum.

The property represents a total of 33,389 sq metres of floor space, with a further 6,704 sq metres of basement area, on a site of 5,300 sq metres. The headquarters of the Pechiney aluminium group, sold last year for FFr2.76bn, represented almost exactly the same above-ground floor space.

The NMPP building stands on rue Réaumur in the second *arrondissement*, outside what is generally regarded as Paris's golden triangle. Nevertheless, it stands only a hundred yards from the Paris stock exchange and close to the headquarters of most of the biggest French banks.

Hachette said yesterday that the sale resulted both from NMPP's need to move to modern accommodation, and from its strategy of realising sleeping assets.

The sale of the NMPP building will reduce Hachette's debt levels, which rose after a series of recent acquisitions, particularly two US purchases made in late 1988: Grolier, the encyclopaedia company, for $449m, and Diamandis, the magazine publisher, for $712m.

Cofir joins Warburg in investment firm launch

By Tom Burns in Madrid

COFIR, the Spanish investment arm of Cerus, Mr Carlo De Benedetti's European holding company, has joined forces with Mercury Asset Management of the SG Warburg group to launch Fonfir, a new investment vehicle for the Spanish market with an initial Pta10bn ($91.9m) capital.

Cofir, which holds a 55 per cent stake in the new company, said Fonfir would be investing in medium sized Spanish companies seeking expansion both domestically and abroad.

Mercury has a 15 per cent shareholding in Fonfir as do the Spanish banks Banco de Zaragozano and Bankinter.

The venture marks an ambitious new step for Cofir, which will be broadening its activities in Spain.

Over the past two years Cofir has spent heavily to acquire strong positions in key sectors and it will now be purchasing, through Fonfir, smaller stakes in diverse companies.

Cofir last year acquired a 49 per cent stake in Bodegas Berberana, the second most important Rioja wine producer, a 35 per cent stake in NH Hoteles, a domestic hotel chain, and 49 per cent of a fashion shop chain called Massimo Dutti.

Vaduz bank group rises to SFr45m

By John Wicks
In Zurich

BANK IN Liechtenstein, the Vaduz-based group which last year took over GT Management of the UK, has reported an 8.5 per cent rise in 1989 net profits to SFr44.9m ($29.8m).

The bank, which is controlled by a foundation of the Liechtenstein royal family, recorded a balance-sheet total up 20 per cent to SFr6.6bn.

Consolidated assets are put at SFr7.8bn against SFr6.4bn.

The takeover of GT led to a sharp rise in the level of clients' assets under management.

GT alone booked a 48 per cent jump in managed assets between April 1 and December 31 to £6.25bn ($10.5bn), its pre-tax profits for the period rising 61 per cent to £6.82m.

For the parent, the surplus from balance-sheet business rose 9 per cent to SFr65.4m and net brokerage commissions 31 per cent to SFr41.3m.

Earnings from trade in foreign exchange and precious metals went up 17 per cent to SFr14.3m.

It expects to pay an unchanged dividend of 12 per cent.

Sanofi increases earnings by 20% with strong sales

By William Dawkins in Paris

SANOFI, the French pharmaceuticals group controlled by the Elf Aquitaine oil producer, yesterday announced a 17.7 per cent increase in sales to FFr17.15bn ($3bn) for 1989.

The group estimated that last year's net profits would come out at between 20 per cent and 25 per cent above the FFr977m achieved in 1988.

Stripping out the impact of acquisitions made during the year, the turnover rose at an underlying 8.4 per cent to FFr15.83bn, the group said.

Sales growth was slower in the second half, an underlying 6.6 per cent up from the same period of the previous year.

The perfumes and beauty products division, which embraces Yves Rocher, Nina Ricci and Van Cleef & Arples, put in the fastest underlying growth, with a 12.3 per cent increase in sales. The bio-activities division was the slowest growing, with an underlying 6.3 per cent sales increase.

Cash injection for Arianespace

By William Dawkins

ARIANESPACE, the European spacecraft consortium, which launches more than half the world's commercial satellites, yesterday increased its capital by FFr1.06bn ($185m) to fund growth and diversification.

The cash will be used to develop small satellite launchers, manned spacecraft and to support Arianespace's campaign to be the operator of the future European space shuttle, Hermes, which is expected to come into operation at the end of this decade, said officials.

The funds come from the 50 founding investors of Arianespace, which is 58 per cent owned by French interests and 20 per cent in West German hands.

The money is being raised by a new holding company, Arianespace Participation, which owns 95 per cent of the original operating group and is controlled by the same shareholders. This is the biggest equity raising exercise since Arianespace's formation in 1979.

Meanwhile, the group yesterday welcomed two new industrial investors and made small changes to the ownership structure. Italy's Fiat Aviazione is joining the five Italian industrial investors in the original Arianespace operating company.

Italy is nearly doubling its stake from 3.6 per cent to 7 per cent, to reflect the greater role played by Italian companies in the production of the Ariane 4 and Ariane 5, the latest generations of the group's spacecraft.

Société Nationale des Poudres et Explosifs (SNPE), the French explosives producer, has also taken a 1 per cent stake in the operating group.

SNPE will work with BPD Difesa e Spazio, its Italian counterpart and owner of 4.5 per cent of Arianespace's capital, to produce solid fuel for Ariane 5's rocket boosters.

Single-minded approach to X-rays

Peter Marsh examines the unconventional strengths of Hafslund

It is a pharmaceutical company but its best selling product is not strictly a drug. It plans to expand in the European Community by an acquisition in Austria, which is not in the Common Market.

It has a sideline in running power stations and it gains a large chunk of its revenues from the sales efforts of other companies. It splashed out $55m last year for a business with no sales. Its chief executive is a former insurance official and its chairman is an entrepreneur who is also at the helm of a computer company.

Welcome to Hafslund Nycomed, among the world's least conventional pharmaceutical groups. The Oslo-based Hafslund, with estimated sales last year of NKr3.1bn (about $480m), is a minnow in the $130bn-a-year international drugs industry.

But in recent years Hafslund has attracted interest because of its single-minded approach to grinding out profits from its one big product. This is Omnipaque, a contrast fluid that enables doctors to take sharper, clearer X-ray images.

The formulation, injected into the patient's blood stream before X-ray, has no therapeutic value. But because Omnipaque interacts with the body in much the same way as a conventional medicine, it is generally categorised as a pharmaceutical product.

Omnipaque is one of the two leading products in the $2bn world market for imaging reagents for X-ray diagnosis. Bracco, an Italian company which has a marketing tie-up with E. Merck, a Swiss-based drugs group, provides the other main formulation while Schering of West Germany is responsible for another, older product in this field.

Berlin-based Schering has an important role in the web-like network of relationships between Hafslund and other companies in the imaging field. Schering is unusual in that in some areas of imaging it competes with Hafslund, while in others it collaborates.

Hafslund gains half its revenues from Omnipaque. The product last year accounted for roughly 70 per cent of the group's pre-tax profit, estimated at some NKr1bn. Other Hafslund activities include sales of drugs such as pain relievers and medical equipment, mainly in Scandinavia.

It also runs five hydroelectric plants in Norway and makes ferrosilicon products – these last activities being a relic of the Hafslund's original operations when it was formed late last century.

Hafslund's smallness, and consequent lack of marketing muscle, forces it to share income from Omnipaque with three other companies which sell the product under licence in most major markets outside northern Europe.

These companies, Sterling of the US, Japan's Daiichi and Schering, take an estimated two-thirds of the total world sales of Omnipaque of about $800m a year.

Sterling, a unit of Eastman Kodak, and Daiichi sell the product in the US and Japan while Schering has marketing rights in West Germany, Austria, Switzerland and Italy. Hafslund itself markets the product in Britain, France, the Benelux countries and Scandinavia.

The sharing of revenues and profits over Omnipaque does not unduly bother Mr Svein Aaser, Hafslund's 43-year-old chief executive.

Mr Aaser – who before taking over at Hafslund in 1986 worked in the insurance, paper and food industries – says he recognises the agreements as vital to boosting his company's income in nations where it does not have a direct presence.

For the longer term he is keen to expand Hafslund's own sales efforts in the US, the world's biggest drugs market, although this is unlikely to take place until the late 1990s.

In Europe, however, the picture is changing more quickly. Just before Christmas, Hafslund agreed the NKr780m acquisition of CL Pharma, a Vienna-based drugs company with annual sales of about $150m, then owned by the Austrian Government.

The deal will take place in stages; Hafslund has bought a 55 per cent stake in CL and is due to buy the rest over the next three years.

The purchase lifted Hafslund up the world drug-industry sales league table, from 80th position to 65th. But the main reason for Hafslund's interest in CL is the latter's marketing network, which is especially strong in West Germany, Europe's biggest market for medicines. In the long term CL's sales force is likely to reduce Hafslund's dependence on Schering in sales ventures.

Mr Svein Aaser: aiming to boost Hafslund's US sales

Of particular relevance here is a product coming up through Hafslund's development trials: S-041, a contrast agent similar to Omnipaque, but used in the relatively new area of magnetic resonance imaging (MRI).

MRI systems, like X-ray equipment, probe the body for signs of disease. They use a magnetic field and radio waves to produce images of internal organs on a screen.

Use of MRI machines, which can cost up to $1.5m and are sold by companies such as Philips, General Electric and Siemens, is still in its infancy, especially outside the US. But Hafslund believes that eventually agents like S-041 will add up to a big market in improving MRI images.

According to Hafslund's plans, S-041 will come on to the market in the next 2-3 years. The Oslo company has already signed up Sterling to sell the product in the US. Daiichi will do the same job in Japan. And Hafslund – not Schering, which makes the single competing product for MRI imaging, and which is already on sale – will itself have responsibility for sales in Europe.

Hafslund gained the rights to S-041 through the $55m purchase last year of California-based Salutar, a research company still in the development stage. Mr Aaser says the money was well spent. "The Salutar research was ahead of us. They are the number one in the world (in MRI research)."

S-041 is one of a number of imaging products being worked on by Hafslund's 200-strong imaging research team. Besides work in X-rays and MRI, the company is also pursuing other developments in contrast agents that can aid ultrasound diagnosis.

Also in the field of research, Hafslund thinks it could gain other elements from the CL acquisition besides the company's sales team. CL is not known as a drug innovator, but Hafslund managers say they were pleased and surprised to find it had some good research ideas.

Mr Gert Munthe, a Hafslund executive who has taken over as CL chairman, says he is especially impressed by new types of arthritis and heart drugs under development in Vienna. Medicines such as these, assuming they complete clinical development, could be on sale by the mid-1990s, adding to Hafslund's product spread.

The dependence of Hafslund on Omnipaque has caused some flutterings among drugs-industry observers.

"Even though in their field they are at the top, they are a one-product company," says Mr Ian Broadhurst, an analyst at the London office of BNP Securities, the French bank.

Another negative thought some people have about Hafslund is that it shares a chairman – in the shape of Mr Terje Mikalsen – with Norsk Data, Norway's biggest computer company. Norsk was once thought of as a high flyer but came crashing to earth last year after a succession of financial and management problems.

Mr Aaser scorns any talk of comparisons between Norsk and Hafslund, where Mr Mikalsen has a non-executive role and is the biggest shareholder with a stake of 15 per cent.

"In computing, the pace of technical developments means that companies can be taken by surprise. In pharmaceuticals that is not the case. We are very different businesses."

INTERNATIONAL COMPANIES AND FINANCE

Pinnacle West reschedules debt as MeraBank seized

By Roderick Oram in New York

PINNACLE West Capital, the embattled Arizona holding company, rescheduled $650m of debt hours after MeraBank, its insolvent savings and loans subsidiary, was seized by federal regulators.

With assets of $6.57bn but crippled by real estate losses, MeraBank is the largest thrift in Arizona and the fourth largest taken over by the US Government since the thrift crisis began in the 1980s.

Pinnacle West said the resheduling saves it from filing for Chapter 11 bankruptcy protection and will enable it to inject the $450m into MeraBank demanded by regulators.

The infusion will free Pinnacle West of its obligations to MeraBank, allowing it to concentrate on Arizona Public Service, its original core electric utility business. That is the object of a takeover bid from PacifiCorp, a utility holding company serving seven western states. The bid is contingent on Pinnacle West detaching itself from MeraBank.

PacifiCorp has proposed a share swap worth about $8 a share or $700m in total, plus assumption of Pinnacle West's debt. The target was trading at about $5 a share when the offer was launched in December and rose $¾ to $11¾ yesterday.

The seizure of MeraBank appeared to surprise Pinnacle West. It thought it had settled its differences with regulators by injecting $300m in cash and $150m in a 12-year note.

However, regulators said they acted because management jeopardised the thrift's health by breaking regulations and using unsafe practices. It lost more than $200m in 1988 and $190m in the first nine months of last year. It is expected soon to report further write-offs of around $390m for bad real estate loans in the fourth quarter.

MeraBank was solvent on November 30 by public accounting rules, but regulators said if goodwill was excluded it had a negative tangible net worth of $337.4m. Pinnacle West paid $421m for MeraBank in 1986.

Bank sues Campeau for default

By Robert Gibbens in Montreal

THE BANK of Montreal is suing Mr Robert Campeau, head of the troubled Campeau Corporation, for defaulting on a US$21.2m personal loan.

Mr Campeau borrowed the money two-and-a-half years ago to help finance the purchase of Campeau voting shares and debentures. He pledged 425,000 Campeau shares and about US$15m of debentures as collateral.

The conditions were similar to a loan of C$150m made by the National Bank of Canada to Mr Campeau at about the same time. National Bank has seized Mr Campeau's collateral of 13m Campeau Corp common shares, 4m preferred shares and C$60m of debentures.

Mr Campeau has defaulted on both loans following financial problems after he took over Allied Stores and Federated Department Stores in the US. He owes the Bank of Montreal US$585,000 in back interest.

Federated and Allied stores, whose chains include some of the best-known US department stores, filed for protection from creditors under the US Bankruptcy Code last month after an unsuccessful battle to alleviate a crippling debt burden.

The two groups, both wholly owned subsidiaries, said they were filing for Chapter 11 protection "to preserve operational strength and assets while the corporate debt is restructured."

Georgia Gulf faces cash offer

By Alan Friedman

NL INDUSTRIES, the Texas chemicals company controlled by Mr Harold Simmons, the corporate raider, is to launch a cash tender offer of $45 per share for Georgia Gulf, a leading integrated chemicals producer.

The planned offer, to be made in the next four days, has sent Georgia Gulf's share price up by $4¾ since it was announced on Tuesday. Yesterday the company's shares stood at $40¾.

Georgia Gulf, 25 per cent owned by management and employees, is unlikely to favour the NL move. Last November the company rejected a $50 per share offer, worth $1.2bn, from NL.

As a defence, Georgia Gulf is completing a cash-and-equity recapitalisation that will see the company going heavily into debt in order to pay out a special dividend to its shareholders.

NL owns about 9.5 per cent of Georgia Gulf.

The tender offer is expected to step up pressure on Georgia Gulf to complete the recapitalisation.

● BF Goodrich, the chemical and aerospace company, saw 1989 net income decline by 11.9 per cent to $172.4m, or $6.48 per share.

The drop was attributed primarily to lower income from the polyvinyl chloride (PVC) business during the second half of last year; this division suffered a 21.5 per cent fall in 1989 operating income to $183.3m.

Total 1989 revenues were $2.4bn against $2.3bn, while fourth-quarter sales were $573.7m, down from $594.7m last time. Fourth-quarter net income declined to $27m from $87.2m during the 1988 period.

Compaq stock rises as sales top forecast

By Louise Kehoe in San Francisco

HIGHER than anticipated fourth-quarter earnings at Compaq Computer, the Texas-based personal computer manufacturer, boosted the company's stock price yesterday by $3¼ to $79¼.

Compaq reported sales of $2.9bn for 1989, up 39 per cent from 1988 sales of $2.1bn. Net income rose to $333m, an increase of 31 per cent over 1988 when the company earned $255m. Earnings per share rose from $7.76 to $6.27.

Sales for the fourth quarter were $788m, an 18 per cent increase over the $668m of last time.

Net income for the quarter was $79m or $1.84, down 14 per cent from the $92m or $2.18 in the fourth quarter of 1988. The earnings dip in the quarter had been anticipated, and most analysts had expected lower earnings.

"In 1989 the US personal computer market experienced a slowing growth rate," said Mr Rod Canion, president and chief executive. "However, significant new products combined with strong growth in European and international sales made 1989 a good year for Compaq."

Sales in Europe and international sales grew 62 per cent and exceeded $1bn for the first time, Mr Canion said. North American sales rose by 24 per cent.

The fourth-quarter earnings decline reflected the slowing growth rate of the personal computer market, combined with increased expenses related to Compaq's entry into the computer systems business with its recent introduction of the Systempro product line, the company said.

"We expect this slower market growth to continue in 1990," Mr Canion stressed.

Marriott profits suffer in restructuring exercise

By Karen Zagor in New York

MARRIOTT, the big US hotel chain, yesterday reported negligible fourth-quarter profits, as restructuring charges negated strong earnings from continuing operations.

The company is selling its airline catering, fast-food and family restaurant businesses and streamlining its management to concentrate on its core lodging and food service operations.

Mr Bill Marriott, chairman, said: "With restructuring behind us, we believe we can grow at 15 to 20 per cent per year from our 1989 profit base for continuing operations."

Net income in the December quarter was $1m or 1 cent a share, against $65m or 56 cents in 1988. Sales in the quarter rose 18 per cent to $2.52bn, while operating income fell to $137m from $157m.

Excluding a divestiture gain, restructuring charges and write-offs, earnings per share from continuing operations jumped 24 per cent in the 1989 quarter.

In the full year net income was $177m or $1.58, against $232m or $1.95 a year earlier, on sales of $7.54bn compared with $6.62bn.

Excluding extraordinary items, per-share earnings from continuing operations advanced 10 per cent in the latest year.

American Barrick beats output target

By Kenneth Gooding, Mining Correspondent

AMERICAN Barrick Resources, the Toronto-based mining company, beat its gold production target for 1989 by a wide margin. Output reached 467,837 troy ounces of gold, compared with 341,000 ounces in 1988 and a target of 440,000.

The substantial increase in production coupled with Barrick's price hedging programme helped lift the company's net income for the year to December 31 from US$30.5m or 25 cents a share to a record $35.8m or 30 cents.

Barrick realised an average price of $436 an ounce on gold sales totalling 472,452 ounces last year, against the New York Commodity Exchange average price of $382 an ounce. Its cash costs averaged $307 an ounce, up from $280 in 1988.

The company expects to boost gold output to 565,000 ounces this year and has hedged about 95 per cent of it at an average minimum price of $421 an ounce. Barrick says that, should the gold price rise strongly, it has retained 75 per cent of the upside potential to $507 an ounce and 36 per cent above $507.

Revenue in the past year was $206.1m, up from $147.5m. Barrick's 1989 net income took account of special charges totalling $12.7m.

Chubb expands despite California earthquake

CHUBB, the US casualty and property insurance company, yesterday reported strong earnings for the fourth quarter and year in spite of heavy catastrophe losses in the second half following the earthquake in northern California, writes Karen Zagor.

For the three months ended December 31, net income was $107.1m or $2.44 a share, against $83.9m or $2 a year earlier. For the full year, net earnings were $420.8m or $9.83, compared with $359.6m or $8.55 the previous year.

Catastrophe losses for the year were $89.5m, of which $73.5m were incurred in the second half of the year. In the fourth quarter alone, catastrophe losses amounted to $31.5m.

The company reported a property and casualty post-tax underwriting loss of $25m in the year, against income of $15.8m in 1988.

Net premiums written in 1989 slipped 1 per cent to $2.7bn. The combined loss and expense ratio, after dividends to policy holders, was 101.5 per cent for the year, compared with 99.8 per cent a year ago.

Post-tax investment income for 1989, excluding life and health insurance operations, rose 15 per cent to $345.1m from $300.7m.

Hilton delays plans for takeover and reshape

By Anatole Kaletsky in New York

HILTON Hotels, the big Beverly Hills-based hotel and gaming company, said yesterday it was putting off a decision on any of the takeover and restructuring proposals which had been submitted to the company's board.

The company's postponement of a restructuring decision came as a heavy blow to Wall Street's increasingly hard-pressed takeover speculators.

Hilton's share price fell $4 to $57¾ immediately after the announcement and other takeover stocks fell in sympathy after the brief rebound they had enjoyed on Wednesday.

At yesterday's low prices, Hilton stock was almost 25 per cent below the $75 level at which it traded only two weeks ago.

Hilton officially put itself up for auction last August, when analysts predicted foreign bidders would be willing to pay at least $6bn or $120 a share for the company's 270 luxury hotels and three Nevada casinos.

However, Wall Street arbitrageurs have now concluded the bids received by the board have been much lower than expected, raising the possibility that Hilton's directors might choose not to sell the company at all.

The main alternative to an outright takeover is seen as a restructuring, which would entail the sale of some of the company's most prestigious hotel properties, with the proceeds then being paid out as a special dividend to shareholders.

Hilton's board appeared lukewarm about all of the plans rumoured on Wall Street. It asked Hilton's management and financial advisers to develop all of the acquisition proposals and restructuring strategies further and report back "within the next several weeks."

The board made clear that it might ultimately reject all of these strategies and continue running the company in its present form, without either a takeover or a restructuring.

Gannett lifts income in final period

By Alan Friedman in New York

GANNETT, one of the leading US media and newspaper conglomerates, yesterday unveiled an 8.1 per cent rise in fourth quarter net income, to $127.4m, or 79 cents per share.

The fourth-quarter results, in line with expectations, were achieved on $968.6m of revenues, which were up 7 per cent.

Mr John Curley, Gannett's chairman, said the earnings rise, which came in spite of a weakening economy, reflected the company's diversified activities.

These include USA Today, the tabloid newspaper which claims to have a readership of more than 6m on circulation of 1.7m.

Gannett said it could not reveal USA Today's exact 1989 revenues, which are thought to be in the $300m to $350m range.

Its other holdings include 81 other daily papers, outdoor advertising and 10 television stations and 16 radio stations.

Gannett said fourth-quarter earnings included a special non-taxable gain of about $30m from the sale of a newspaper in Santa Fe, New Mexico.

The company added the gain was offset by fourth-quarter operating and shutdown losses of more than $30m from GTG Entertainment, an ill-fated television production partnership that Gannett is pulling out of.

The Washington-based company's full 1989 results, for a 53-week year, saw net income rising by 9 per cent to $397.5m, or $2.47 on total revenues up 6 per cent to $3.5bn.

On Wall Street, where several newspaper stocks were down, Gannett's price was marked $⅝ lower to $40⅜ yesterday morning.

HK bank may buy Lloyds Canada

By Bernard Simon in Toronto and David Lascelles in London

THE Hongkong and Shanghai Bank is a potential buyer of the loss-making Lloyds Bank Canada – a deal that would make it by far the largest foreign bank in Canada.

The bank has confirmed its interest in the Lloyds operation though it stresses it is only tentative at this stage.

Lloyds Bank of Canada is the former Continental Bank which was acquired by Lloyds Bank, the UK clearer, for C$200m (US$169m) in 1986 when it was in trouble. However the acquisition has not been a success, and it has been evident for some time that Lloyds is a willing seller, though it will not confirm this.

Lloyds Bank Canada has assets of C$4.9bn and is the country's third biggest foreign-owned bank. It has 54 branches and has concentrated on the upmarket retail and mid-sized corporate markets.

The British bank put several of its own people, including a new chief executive, into the senior ranks of its Canadian subsidiary. One former senior employee says the British bank gave less attention to Lloyds Canada than it needed.

Lloyds Canada suffered a loss of C$36.8m in fiscal 1989, by far the most of any foreign bank. This was due to three one-off adjustments, namely higher provisions on old problem loans, a write-down on part of the bank's investment portfolio, and an increase in Third World debt provisions. The bank says its operational performance last year was close to that of 1988, when it posted a small profit of C$2.2m. Its net asset value – a clue to the possible sale price – was about C$220m at the end of October.

Hongkong Bank of Canada, controlled by Hongkong & Shanghai Banking Corp, is also the product of a 1986 takeover of a troubled domestic bank, in this case Bank of British Columbia. Hongkong Bank has assets of C$5.4bn and earned C$34.8m in the year to Oct 31 1989. The bank has been particularly successful in catering to Asian immigrants and investors in Canada.

The attraction of Lloyds for Hongkong Bank is that it would provide an entrance to the central Canadian markets around Ontario, expanding its existing strength on the West Coast.

An acquisition would also mark a further shift in the Hong Kong bank's asset structure towards the North American market at a time when it is expanding its presence outside Hong Kong. However, it has already achieved its goal of having 30 per cent of its assets in North America through its ownership of the Marine Midland Bank in New York state, and this might curb its appetite for fresh business in Canada.

Any deal is not thought likely to affect Hongkong Bank's plans for an eventual merger with the Midland Bank of the UK, where it owns 14.9 per cent, though no decisions have yet been made on this.

New man to put shine on Apple

Louise Kehoe on the tough task facing Michael Spindler (left), a German national appointed as chief operating officer at Apple, where staff lay-offs are imminent and sales projections are being revised downwards

Apple Computer's shareholders have come to expect more of the company's annual meetings.

In the past they have been treated to booming pop music, glitzy graphics and show-biz style presentations of new products. In contrast, this year's event on Wednesday was subdued and serious.

The down-beat mood at Apple Computer reflects the sobering failure of the company to meet its sales and earnings projections over the Christmas quarter and a growing recognition that product and management weaknesses have contributed to the shortfall.

Growth in the US personal computer market has slowed significantly over the past six months. Mr John Sculley, Apple chairman and chief executive, admits: "Our business is still booming in Europe and the Pacific but it is running basically flat in the US."

Apple now expects sales growth of about 10 per cent this year, halving its projections of a few months ago. For its first quarter, ending in December, Apple saw net income drop to $124.8m from $140.5m a year earlier. Revenues rose to $1.49bn from $1.41bn.

The ebbing tide of US personal computer sales growth has revealed significant management problems at Apple and a failure to recognise important market trends.

Lay-offs are imminent. During the current quarter Apple may shed as many as 800 from its Cupertino headquarters staff. Other cost-cutting measures are also being instituted, doing away with some perks that Apple employees have enjoyed.

Stepping into the middle of this unhappy situation is Apple's Mr Michael Spindler, newly appointed chief operating officer. A German national who has headed Apple's European operations for the past five years, Mr Spindler is about to take over day-to-day operating responsibilities from Mr Sculley.

Mr Sculley now plans to focus on product development and long-term strategic plans, with the primary goal of speeding up Apple's laggardly product development process, which many blame for the company's predicament.

Mr Spindler will also, temporarily, fill the management gap created by the abrupt resignation on Monday of Mr Allan Loren, Apple's top US executive who was president of Apple USA.

The management shake-up lacks the drama of events surrounding the 1985 departure of Mr Steve Jobs, the former Apple chairman. However, it demonstrates a continuing struggle between Apple's technical and marketing experts.

Just as Mr Steve Jobs insisted on directing the company according to his vision of the future of personal computing technology – without regard for signals from the marketplace – so today's technology gurus at Apple seem to have lost touch with the realities of a highly competitive market.

Acknowledging that the company had been slow to recognise the potential of the lap-top computer and growing demand for low-priced "low-end" personal computers, Mr Sculley said Apple needed to increase its efforts in these segments of the personal computer market.

This represents a significant switch for Apple, which has directed most of its product development efforts over the past year toward higher-performance business-style personal computers, in spite of its roots in the consumer end of the personal computer market.

A big challenge facing Apple is how to speed up its product development cycle. Apple currently has no plans to introduce new computers this year, in spite of mounting competition. Its main competitive advantage – the software that makes the Macintosh computer easier to use than other personal computers – is quickly being eroded with the introduction of similar programs designed to run on IBM-compatible computers.

Apple hopes to maintain its technology leadership by launching a new version of its Macintosh system software this year. None the less, critics charge that Apple is losing its competitive edge.

Mr Sculley acknowledges that the company "must turn up the fire a bit" on new product development. "We can speed up the decision-making process on new products."

Apple must also stabilise its management structures, however. The latest upheaval has clearly created anxiety among employees.

One employee, seeking some assurance of stability, complained at the shareholders' meeting: "Apple's US marketing department has been reorganised six or seven times in the past couple of years."

Mr Sculley replied: "This will be a year of tightening management controls at Apple." He aims to achieve closer integration of marketing and product development between the engineering and the marketing sides of the company. "With the appointment of Mike Spindler, you can expect more consistency in how we manage our business," he added.

Nevertheless, Mr Spindler is expected to make further changes in the US marketing and sales organisation. In Europe he established a successful network of 150 independent stores selling Apple products called AppleCenters.

In contrast, US computer retailers typically sell the products of half a dozen computer companies which compete for the attention of salesmen with sales bonuses, consumer rebates and other sales gimmicks.

Mr Spindler will play a critical role at Apple.

He is described by colleagues as a "brilliant operations strategist." It remains to be seen, however, whether his experiences in the European computer market can be successfully applied to solving Apple's pressing problems in the US.

Strong nine months at Molson

By Robert Gibbens

THE MOLSON Companies improved its position as Canada's largest brewer in the nine months ended December 31, in spite of a tide of discounted US beer in the Ontario market in the wake of Canada-US free trade.

Molson's special chemicals and hardware and building materials retailing sides also did better.

The group reported earnings using two distinct methods, following last August's merger of its brewing with Carling O'Keefe into a 50-50 joint venture with Elders IXL of Australia. Before the impact of the merger, earnings for the nine months were C$95.6m (US$81m) or C$2.91 a share, up 18 per cent from C$80.6m or C$2.46 a year earlier. Sales were unchanged at C$2bn.

Third-quarter earnings equalled 78 cents a share, against 64 cents.

The merger brought a net realised gain of C$62m or C$1.88 a share for the nine months.

This brought Molson's total earnings for the period to C$157.5m or C$4.79 a share.

Diversey Corp's chemical sales rose 3 per cent worldwide. Europe continued to be the most profitable region, while Latin American operations were hit by several devaluations.

Retail merchandising volume rose 8 per cent in spite of a generally softer consumer economy in Canada and operating profits were better.

● Canada's Federal Government has settled a dispute with Boeing of the US over its acquisition of DeHavilland Canada in 1986, say industry sources.

Boeing paid C$90m net for DHC and its commuter aircraft assembly plant at Toronto, and later claimed the operation was in worse condition than it thought.

It sought C$110m in costs and damages for correcting health and safety problems at the plant.

The lawsuit will be settled by payment of C$100m to Boeing by Canada Development Investment Corp, the federal holding company.

Boeing will also get a $51m forgivable loan towards development of the Dash-8-400 64-72 seater turbo-prop commuter aircraft. The loan will not be repaid if Boeing meets specified sales targets.

Noranda Forest goes into reverse

By Robert Gibbens

NORANDA Forest, the forest products arm of the big Canadian resource group Noranda, felt the impact of price discounting in newsprint and the higher Canadian dollar in 1989.

Net profit was C$189m (US$160m) or C$1.72 a share, down 28 per cent from C$263m or C$2.52 a share in 1988, on revenues of C$4.9bn, up 3 per cent.

Fourth-quarter earnings were C$27m or 22 cents a share, down 57 per cent from C$63m or 16 cents a share a year earlier, on revenues of C$1.3bn, ahead 8 per cent.

Weak markets for newsprint in North America extended to other paper grades, especially in the fourth quarter. The Canadian dollar rose about 4 per cent in 1989 against US currency, while higher interest rates reduced profits by about C$45m for the full year.

The results include Noranda Forest's share of Macmillan Bloedel and several Eastern Canada subsidiaries.

● Canadian Pacific Forest Products is shutting indefinitely one of five newsprint machines at its big Gatineau mill near Ottawa because of slow markets. About 100 workers will be laid off.

In addition Abitibi-Price is reviewing all its operations to cut costs and narrow its focus. Earnings declined severely in 1989 and the quarterly dividend rate has been halved.

Bethlehem Steel in 24% fall

By Anatole Kaletsky

BETHLEHEM Steel, the second largest US steelmaker, suffered a sharp decline in profits and sales in the fourth quarter. However, the company's results were better than the increasingly bearish consensus of analysts on Wall Street had estimated.

Bethlehem made net profits of $50m or 58 cents a share in the fourth quarter. This represented a 24 per cent decline from the $66m or 79 cents reported a year earlier, but the underlying fall was much steeper because of $55m of net restructuring charges included in the year-earlier result.

In 1989 as a whole the company made net profits of $246m or $2.93 a share, 39 per cent down on the $403m or $5.32 reported in 1988.

The annual results were more closely comparable than the quarterly figures because of roughly equal charges and write-offs in both years. In 1989 there were $105m of net non-recurring charges, while charges amounted to $113m the year before.

Flat earnings for General Dynamics

GENERAL Dynamics, the second biggest US defence contractor which produces the F-16 fighter, has reported record annual sales and essentially flat earnings for the year, writes Karen Zagor.

The company, which is bracing itself for a downturn in the face of proposed cuts in defence spending, said fourth-quarter net income slipped about 3 per cent to $82.8m or $1.98 a share from $85.2m or $2.08 in the 1988 quarter. Revenues rose 6 per cent to $2.63bn from $2.49bn.

For the full year net profits were $293.1m or $7.01 against $294m or $7 a year ago. Net sales rose 5 per cent in 1989 to $10.04bn from $9.55bn.

Operating earnings in 1989 rose to $583.9m from $522.1m.

Mitsubishi avoids embarrassment as Aristech gives go-ahead

MITSUBISHI Corporation, the Japanese trading house, was yesterday celebrating the approval of its proposed leveraged buy-out of Aristech Chemical of the US, approved by the board after Mitsubishi increased its offer from $26 to $27 per share, writes Robert Thomson in Tokyo.

The buy-out, now valued at $880m, had threatened to become an embarrassment for the Japanese company, which had initially expected almost immediate approval, when Huntsman Holdings, a US plastics and chemicals company, announced plans to offer at least $27 per share if given further time to prepare a bid.

Under the accepted proposal, Mitsubishi and Aristech management will establish a new company with capital of $200m for the leveraged buy-out, the first undertaken in the US by a Japanese company. Aristech management will take 12.5 per cent of the capital and Mitsubishi the remainder. A syndicated loan, led by two banks in the Mitsubishi family, will cover the financing needs.

Mitsubishi, which had twice extended the deadline on its plan and had not wanted to get involved in a protracted fight for the company, issued a statement yesterday saying it would begin a tender offer for Aristech shares within five business days.

Mr Jon Huntsman, the chairman of Huntsman Holdings, said the company and GE Plastics, a subsidiary of General Electric and Huntsman's proposed partner, were "very disappointed with the manner in which the Aristech board of directors proceeded in this instance."

He said the two companies would be "carefully studying the Aristech/Mitsubishi proposal over the next few days."

Aristech, formerly the chemicals division of USX, said the agreement permitted the company "to continue to provide information to, and solicit proposals from, potential bidders other than Mitsubishi and the management group."

The Aristech agreement provides that, if the transaction is not completed, the company will "pay to Mitsubishi and the management group up to $13m of actual, reasonable expenses incurred in connection with the transaction."

● Mitsubishi has also bought the process engineering and design division of the New York-based Chemtex, paying, with Chemtex management, some $30m, Our Financial Staff adds.

The division, which supplies technology, equipment and engineering services for synthetic fibre plants, accounted for more than 90 per cent of Chemtex's $100m annual revenues. The sale includes Chemtex overseas affiliates and offices in Tokyo, Bombay, Düsseldorf and Peking.

An Asian airline counts the cost of flying

Lim Siong Hoon on Malaysia Airlines' need to generate funds without raising fares

The year has begun unhappily at Malaysia Airlines System. Union leaders aired their grouses in public last month, speaking of overwork, poor conditions and malfunctions in two leased aircraft.

The public began writing letters to the local press complaining about delayed flights, cancellations and overbooking.

Then the Government stepped in. Yes, said Dr Liong Sik Ling, the Transport Minister, the carrier's golden service has deteriorated. He summoned its senior managers to give an account to Cabinet.

Amid this furore, the MAS share price fell 20 per cent from its 11.50 ringgit high. Securities analysts downgraded this year's forecast for pre-tax profit by 10 per cent to around 200m ringgit (US$74m).

Mr Abdul Aziz Abdul Rahman, the managing director, says simply of the bad publicity: "It will go away."

The airline's present troubles cloud its good financial record since it emerged from a 35m ringgit loss in 1982, and its privatisation that came three years later.

Growth in annual revenues has been running at 20 per cent in the last two years. For the year to March the gloomiest prediction – from CIMB Securities, a local stockbroker – still leaves a 22 per cent rise in revenues to more than 2bn ringgit and a pre-tax profit of 194m ringgit, up 23 per cent. MAS has never had it better.

The financial performance does not entirely make nonsense of the claims against the airline. In one sense, MAS is a victim of its own success.

Since 1985 the airline's network, now covering 130,000 km, has been expanding at 10 per cent a year. International and domestic flights are 80 per cent filled on average.

Then a jump in tourist arrivals, lured by a 1990 Visit Malaysia Year campaign, plus an influx of business visitors, put pressure on the airline's capacity and services.

Mr Abdul Aziz says: "Our problems are about equipment, maintenance and staff." For a fleet size of 47, averaging 11¼ years of age, there are 300 flights daily. Its staff of 12,000 needs to be lifted to 14,000. For example, building an in-house technical servicing network and an engine overhaul centre are tasks that strain its engineering capability.

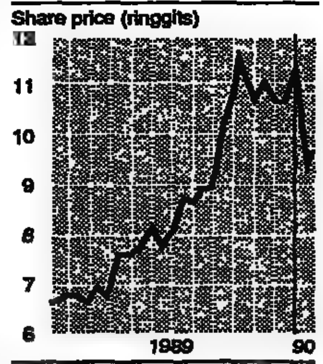
MAS has set 1989-95 as a period of renewal, in the most extensive such exercise since, as Malayan Airways, it broke with Singapore in 1971.

The centrepiece in this change is the replacement of almost its entire fleet. By 1995 the age of its fleet is intended to average three years.

The net replacement cost for the 37 aircraft to be delivered between last year and 1995 will be 6bn ringgit. This fleet renewal programme has implications for its international reach, financial performance and equity structure.

MAS

Share price (ringgits)



The future of MAS lies in its profitable long-haul routes where nearly 72 per cent of its expansion cost will go to buy four Boeing 747-400s and eight Airbus A330s. Some 55 per cent of its passengers travel on international routes, but they provide 78 per cent of revenues which, until 1988, subsidised the domestic operations.

Providing services to additional international destinations – taking the total to 50 – will enable MAS to meet the competition from other Asia-Pacific airlines. They are expanding similarly and going for the same European and North American markets.

During its transition, operating margins will tend to shrink. The biggest threat to these, say analysts, comes from costs of staff and fuel, and higher depreciation charges as new aircraft arrive.

Larger capital allowances and lower maintenance costs could eventually offset some of the higher charges.

The big bills will pile up between 1992 and 1995 when, simultaneously, three 747s, several of the 16 Boeing 737s and the eight Airbuses arrive.

Half of the cost of each aircraft will be settled on delivery. "We don't like bullet payments," says Mr Sulaiman Sujak, the finance director.

MAS is putting a 3bn ringgit ceiling to its debt financing, he adds. So, to settle its bills promptly there is a pressure to generate funds internally by keeping profits up while it looks for ways to raise equity.

Two options are available and both are thought likely: a cash call at home and an offering abroad.

CIMB Securities reckons that 40 per cent in equity financing seems likely, says Mr Lau Yew Kong, its research manager. This can avoid crimping too much on earnings per share.

The foreign shareholding in MAS is already near the current 30 per cent limit (a 10 per cent block is held by neighbouring Brunei), and a listing abroad appears justifiable.

Malaysian government institutions, primarily the central bank, hold 60 per cent of the equity, but, says Mr Sulaiman, the state could divest while retaining control through a golden or veto share.

MAS began as a government creature, and elements of this character continue to exist in its operation.

Labour issues contain a political dimension: workers take their grouses to their politicians. Productivity, measured in terms of revenue per employee, has recently been rising by around 12 per cent annually. But Singapore Airlines, according to a report on MAS by stockbroker W.I. Carr, has as many employees producing seven times the profits and twice the revenues.

Yet popular pressure keeps the Government from allowing MAS to raise domestic fares to make up for the growing costs. With one hand tied, says Mr Aziz, "I would prefer running an international airline."

MAS is secretive about how badly its domestic operations weigh down the overall performance. W.I. Carr estimated that 1988 domestic losses were nearly 8.7m ringgit, or 6 per cent of pre-tax profits.

This is not a compelling enough reason for the Government to split the international and domestic sectors. The airline's monopoly on the local market could become more useful given Malaysia's 7 per cent growth in real incomes.

MAS says its domestic operations broke even last year. If it can raise productivity further, and if the new investments are used to justify higher fares, the local market is a potential safety net – in case anything goes wrong elsewhere that threatens its renewal programme. Hence the airline's willingness to put a brave face on its troubles.

Big demand for Sime Singapore's public offer

SIME SINGAPORE'S public offer of 108.75m shares was 125-times subscribed in spite of uncertainty over the local car industry, one of the group's core businesses, Reuter reports from Singapore.

More than 188,847 investors applied for 12.38bn shares, according to Development Bank of Singapore, lead manager of the issue.

Sime Singapore, previously a wholly owned subsidiary of Malaysia's Sime Darby, offered the shares at S$1.15 each. The offering represented 25 per cent of its enlarged 435m share capital.

It is the second local company to go public this year.

Sime Singapore has subsidiaries and associated companies engaged in six core activities covering a motor dealership, heavy equipment trading, technical and consumer trading, packaging, property and insurance.

Brokers said the recent decision by the Government to depress demand for new cars under a quota system had led to uncertainty over prospects for the car industry.

But they said the strong response to Sime's offer indicated continued bullish sentiment and liquidity among investors.

Kim Eng Holdings, the first issue this year, attracted a record 783-times subscription, attributed to cash-rich investors eager for new issues.

Syndicate demands immediate A$385m payment from Bond

By Chris Sherwell in Sydney

THE FINANCIAL troubles of Mr Alan Bond, the Perth entrepreneur already under siege from creditors and regulators, have taken another turn for the worse with a demand from a bank syndicate for immediate repayment of a A$385m (US$296m) facility from Bond Media.

The demand was served on Wednesday by National Australia Bank (NAB) on behalf of the syndicate. Bond Media, 52 per cent owned by Bond Corporation, said in a statement yesterday that no replacement facility was in place.

It added that it disputed the need for immediate repayment and said it was contesting the move in the New South Wales Supreme Court.

After receiving affidavits yesterday the court decided to adjourn a hearing until next week.

The court action is the third big legal dispute affecting the future of Mr Bond's sprawling empire, although significantly the banks involved in yesterday's move are not seeking the appointment of a receiver to Bond Media.

In another dispute, NAB heads a different syndicate which last month successfully applied to the Victorian Supreme Court for the appointment of receivers to Bond Brewing Holdings, the cash-generating beer subsidiary. Mr Bond challenged that decision and is awaiting the outcome.

In a third battle, he is fighting in the Western Australian Supreme Court against the demands of two separate groups of US investors seeking interest and principal repayments on notes issued by Bond Brewing and its own subsidiary, Swan Brewery.

Yesterday Bond Corporation won an injunction delaying one US investor group from acting to liquidate Swan Brewery.

Bond Media said it was continuing negotiations with local and overseas investors to restructure its finances before the end of March, when A$200m worth of convertible preference shares held by Mr Kerry Packer's Consolidated Press Holdings are due to be redeemed.

Bond Media owns the Channel Nine television network and a chain of commercial radio stations. Mr Bond bought the assets from Mr Packer for A$1.05bn in early 1987. In spite of the flotation of Bond Media that year and the network's highly successful ratings, the company's debt burden has proved too heavy.

Last month Mr Packer unveiled an audacious takeover bid for Bond Media under which his newly created group, Television Corporation of Australia, made a share swap offer for Bond Media valuing the company at just A$53m, aiming then to recapitalise it through a A$450m institutional placement at home and abroad.

In the meantime, confusion reigns over the Government's precise position on foreign ownership of Australian television interests – an issue not only for Bond Media and for Mr Packer but for Channel Ten, which is seeking further equity after changing ownership recently, and Channel Seven, which is in the hands of receivers after the collapse of its parent, the Qintex group.

The current upper limit is 20 per cent, and while the Government said earlier this month that it would stick by Labor Party policy and not relax this, indications are growing that changes are in train which will spell out a higher limit for overall foreign ownership and an individual limit.

Arabian Oil profits soar

By Our Financial Staff

ARABIAN OIL, the biggest Japanese-owned oil producer, boosted pre-tax profits 165.4 per cent to Y62.55bn ($43m) last year and expects further growth to Y72bn in 1990.

The company produces heavy crudes in the neutral zone between Saudi Arabia and Kuwait, from a field discovered 30 years ago. While benefiting last year from an upturn in oil spot prices and increased demand, it is fearful about a trend to lighter crudes.

The governments of the two adjacent Arab states each hold 10.3 per cent of the company, which ships almost all its output to Japan. The largest domestic shareholder, with 7.1 per cent, is Tokyo Electric Power, the utility which is also a key customer.

Revenues almost doubled to Y210bn from Y107bn as volume sales rose to 275,000 barrels a day from 172,000 b/d.

Gotthard Bank to increase dividend

Gotthard Bank, the Swiss institution in which Sumitomo Bank of Japan holds 52.6 per cent, is to increase its dividend to SFr20 ($13.38) per share and participation certificate from SFr18, writes John Wicks in Zurich.

This follows the 17 per cent rise in net profits last year to SFr48m – attributed by Mr Fernando Garzoni, chairman, to a gain in non-interest business. Net commissions rose 39.1 per cent to SFr88.2m.

INTERNATIONAL CAPITAL MARKETS

Netherlands to scrap tax on bourse turnover

THE DUTCH Government is to abolish the bourse turnover tax from July 1 this year, Reuter reports.

By scrapping the tax, which levies a maximum of Fl 1,200 on bourse transactions, the Government is responding to demands by the Dutch securities industry to remove a substantial hurdle in its efforts to turn Amsterdam into a leading international financial centre.

The abolition of the tax coincides with the scrapping, already announced, of fixed bourse commissions.

The Amsterdam Stock Exchange yesterday welcomed the planned move.

"This will have the effect of reducing the cost of investing in securities. As such, it is in the interest of Amsterdam as an internationally competitive financial centre and will be of particular benefit to the investor in the Netherlands," the bourse said.

The scrapping of the bourse tax is one of a series of measures introduced or planned by the financial industry to make Amsterdam more attractive as a financial centre.

"The Amsterdam stock exchange association expects Amsterdam to be able to win back a large part of the trade volume it has lost to London and this will improve market liquidity for investors," the bourse said.

It said the finance ministry compensated for the loss of revenue, generally estimated at around Fl 90m a year, by scrapping an issue fee payable to the securities trade on government bonds.

Monaco bank asks court to appoint receiver

INDUSTRIAL Bank of Monaco, the small Monaco bank whose problems forced the French banking supervisory body to intervene in its operations on Monday, has applied to a court to suspend business, Reuters reports.

An official at France's Banking Commission said a Monte Carlo court should put BIM into receivership by today at the latest. He said the temporary administrator appointed by the Commission to run the bank had asked the court to decree a notice of payments default.

Commission officials have stressed that the BIM's troubles did not affect the stability of the Monaco banking system.

The Commission temporarily closed the bank saying its financial situation had seriously deteriorated because of what it called adventurous operations and the large sums to be set against doubtful loans on its books.

The bank closure, the first in 20 years in Monaco, was ordered by the Commission under a 1963 treaty giving the French body supervisory powers over the principality's banking system.

Judicial sources in Monaco, confirming the legal action started by the bank's temporary management, said that, once appointed, the official receiver would take several months to decide whether or not to wind up the bank.

Morgan to raise Nivard stake

J.P. MORGAN et Cie, the French arm of the US banking group, is to inject new capital into Nivard Flornoy, the Paris stockbroker it controls, taking its stake to 90 per cent from 49 per cent, writes George Graham in Paris.

Morgan originally planned to acquire Nivard Flornoy in stages, with its stake due to rise from 30 per cent to 49 per cent and then to 80 per cent. This was in line with rules laid down by the Government to enable the French stock exchange to open up progressively to outside capital.

However, Morgan has discovered losses estimated at FFr154m resulting from unsettled transactions and wants to recapitalise the broker. It is therefore proposing to acquire all remaining minority shareholdings for a token payment, except for 10 per cent held by Mr Jacques Nivard, executive chairman of the broker.

Amex starts trading in Nikkei warrants

THE AMERICAN Stock Exchange started trading in the latest of its range of warrants on Japan's Nikkei stock index yesterday when 6m put warrants issued by Bankers Trust were introduced, writes Deborah Hargreaves.

The Amex already trades similar put warrants issued by Denmark and Salomon Bros. The existing warrants use a fixed exchange rate in determining the settlement value while the Bankers Trust issue uses a floating yen/dollar rate. The warrants expire on January 16 1993.

Nationwide Anglia issue makes a difficult debut

By Deborah Hargreaves

THE Nationwide Anglia Building Society became the second UK building society to tap the sterling floating rate market yesterday – after Wednesday's deal by the Leeds Permanent – with an issue for £150m of bonds lead-managed by Credit Suisse First Boston. It was Nationwide's first market visit for two years.

However, the bond issue, which paid a coupon based on the three-month London interbank offered rate plus $\frac{1}{16}$, had a difficult market debut. For a start, CSFB found it hard to form a syndicate for a deal which many underwriters considered to be too expensive. Many market participants were shocked at a deal that they considered to be fixed at a "lunatic" level.

With a maturity set in February 1993, CSFB probably banked too heavily on investors paying a premium for a short-dated issue. But little demand materialised for the deal and it was moving extremely slowly yesterday.

Some market players believed CSFB ended up holding a lot of the bonds itself and was supporting the deal at a trading level of 99.90 to 99.95. CSFB itself admitted that the issue was tightly priced, but

INTERNATIONAL BONDS

saw good demand for currency floaters with short-dated maturities. The deal could experience some slow demand in coming months in spite of its ignominious launch.

Elsewhere yesterday, the popularity of the Eurolira sector was underscored with the launch of a L125bn deal for Exxon Capital which was managed jointly by Swiss Bank and Banco di Napoli. With a coupon of 12⅞, the issue attracted some good buying to trade at a level of less 1.35 to 1.30.

The West German market saw the first Eurobond deal for Algeria's utility company Sonelgaz which issued DM150m of bonds to a less than enthusiastic reception. The deal was trading at less 2¾ bid late yesterday and attracted some French buying at a level of less 2¼, but overall the bonds sold slowly. The bonds offer an attractive 10.23 per cent yield over the relevant government bond for the retail investor.

The Council of Europe's issue of Y25bn Eurobonds, managed by Daiwa, was trading well at less 1.55 to 1.45. In spite of its short first coupon, it was not targeted at the Japanese market and attracted a mix of European buyers.

● Two deals in Finland were brought to the market yesterday in a bid to attract foreign buyers into the Finnish bond market which has been closed to them since June 1985.

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon %	Price	Maturity	Fees	Book runner
STERLING						
Nationwide Anglia B.Soc(a)‡◆	150	$\frac{1}{16}$	100	1993	7½bp	CSFB
LIRE						
Exxon Capital Corp.◆	125bn	12⅞	101.30	1993	1⅜/⅞	Banco di Napoli
D-MARKS						
Sonelgaz(Algeria)(b)◆	150	9½	100	1995	2/1¼	BHF-Bank
Z-Bank of Vienna(c)★★◆	40	9¼	101	1993	1¼/⅞	Bank of Tokyo (Germany)
US DOLLARS						
Shikibo Ltd.♦	100	(2¾)	100	1994	2¼/1½	Nomura Int.
Mitsubishi Bk Australia(d)◆	60	(d)	102	2000	2/1¼	Mitsubishi Finance Int.
YEN						
Council of Europe(b)◆	25bn	7	101½	1994	1⅝/1⅛	Daiwa Europe
Citicorp(b)◆	15bn	7	101¼	1995	1⅞/1¼	Daiwa Europe
Union Bank of Finland(b)◆	7bn	7.3	101⅛	1993	1⅜/⅞	Sumitomo Trust Int.
Kredietbank Int. Fin.(e)◆	3bn	13½	101⅛	1991	1⅛/⅝	New Japan Secs.
SWISS FRANCS						
Credit Local de France(b)★★◆	100	7⅛	101	1995	n/a	Credit Suisse
Shoei Foods(f)★★§	70	¼	100	1994	1½	Nomura Bank (Switz)
Shikibo Ltd.(g)★★§	50	Zero	100	1994	1½	Swiss Volksbank
FINNISH MARKKA						
Okobank Group(b)(h)◆	1.6bn	13	100	1993/95	n/a	Okobank
Postipankki(b)◆	400	13	100⅛	1993	1⅜	Postipankki

★★Private placement. ♦With equity warrants. §Convertible. ‡Floating rate notes. a) $\frac{1}{16}$ over 3-month Libor. Non-callable. b) Non-callable. c) Redemption linked to March 1993 London bund future contract. Non-callable. d) Coupon pays 30bp over 6-month Libor first 2 years, then 10¼% fixed. One call only Feb.1992 at 100. e) Redemption linked to Nikkei stock index. f) Yield to put 3.320%. g) Yield to put 3.436%. h) Launched in two tranches: FM980m due 1993 and FM620m due 1995.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

Closing prices on February 1

US DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Austria 9⅝ 93	140	101½	102¼	+0¼	−0⅛	8.94
B.F.C.E. 8¾ 94	175	97½	98	+0¼	−0⅛	8.98
B.F.C.E. 9¼ 95	150	100¾	101⅛	+0⅛	−0⅛	9.04
Brit. Tel. Fin. 9⅜ 98	250	100⅝	101⅛	+0¼	−0⅛	9.21
Canada 9 96	1000	101	101⅝	+0⅛	−0⅛	8.75
C.C.C.E 9¼ 95	300	100¾	101¼	+0⅛	0	8.99
C.N.C.A 9⅛ 93	150	†100⅛	100⅝	+0⅛	0	9.14
Credit National 8¾ 93	200	†98⅛	98⅝	+0¼	+0⅛	8.83
Credit National 7⅞ 92	100	97	97½	+0¼	+0⅛	8.76
Credit National 9⅝ 92	160	†101⅛	101⅝	+0¼	0	8.88
Dai-Ichi Kan 9⅝ 92	150	100⅞	101⅝	+0¼	0	9.08
Denmark 8¾ 94	150	†96⅞	97¼	+0¼	−0⅛	9.06
E.E.C. 7 91	100	97	97½	+0¼	0	8.66
E.E.C. 10 93	140	†102⅞	103⅛	+0¼	+0⅛	8.89
E.I.B. 8½ 99	150	95⅝	96	+0⅛	−0⅛	9.15
Eurofima 10⅛ 93	100	†102⅞	103⅛	+0⅛	0	9.01
Elec.De France 9 98	200	99¼	99⅝	+0⅛	−0⅛	9.08
Elec. De France 9½ 99	200	†101⅛	101¾	+0⅛	−0⅛	9.20
Finland 9 96	250	99⅜	100	+0⅛	0	9.03
Finn.Exp.Cd. 8½ 92	200	99	99½	+0¼	+0⅛	[illegible]
Finn. Exp. Cd. 9⅞ 95	200	100¾	101⅛	+0¼	−0⅛	9.15
Ford Motor Credit 8 91	250	†98¾	99⅛	+0¼	+0⅛	8.92
Gen.Elec.Cap.Corp. 9 93	500	†99⅞	100⅜	+0¼	−0⅛	8.94
Gen.Elec.Cap.Crp.10 1/2 91	300	101⅛	102	0	+0⅛	8.87
G.M.A.C. 8¾ 94	500	†97⅛	97⅝	+0¼	−0¼	9.44
G.M.A.C. 9 96	300	98	98½	+0⅛	0	9.35
Gen. Mtrs.Corp. 9⅛ 92	200	99⅞	100⅜	+0⅛	0	9.02
IBM Credit Corp. 8⅝ 92	400	99⅛	99⅝	+0¼	0	8.86
IBM Credit Corp. 8⅞ 91	250	99⅝	100⅛	+0⅛	0	8.91
IBM Credit Corp. 9 92	250	100¼	100½	+0¼	−0⅛	[illegible]
IBM Credit Corp. 9½ 92	250	100⅞	101⅜	+0¼	−0⅛	8.86
Italy 8½ 94	1500	98	98⅜	+0¼	−0⅛	8.98
Italy 9½ 95	1000	101⅞	102⅜	+0⅛	0	9.00
Italy 9⅝ 99	1000	102⅛	102⅝	+0⅛	+0⅛	9.20
Itoh C. W/W 4⅝ 94	1000	109	110¼	0	+1	2.29
Japan Dev. Bank 10 96	200	104	104⅜	+0⅛	0	9.09
KFW Intl. Fin. 9 94	300	99⅝	100⅛	+0⅛	0	9.01
L.T.C.B. of Japan 9¼ 92	200	100	100½	+0⅛	+0⅛	9.11
New Zealand 9 94	850	98¾	99⅛	+0¼	−0⅛	9.29
Nippon Tel.&Tel. 9⅝ 98	250	100⅞	101¼	+0⅛	0	9.19
Norway 8¾ 93	300	99⅝	100⅛	+0¼	0	8.79
Portugal 8¼ 91	300	†98⅝	99⅛	0	0	9.29
Sumitomo Corp. W/W 4 93	1500	116⅛	117⅜	+0½	0	[illegible]
Sweden 8¾ 96	200	98⅞	99⅜	+0⅛	0	8.93
Toyota 9½ 91	200	100⅝	101⅛	+0⅛	0	8.95
Toyota Mtr.Corp. W/W 4 93	1500	†104½	106	0	−0⅛	2.35
Victorian Rep 11⅝ 92	150	104⅜	104⅞	+0¼	0	9.26
World Bank 8⅝ 99	1500	96⅞	97¼	+0½	−0½	8.76
World Bank 9 97	300	99⅝	100⅛	+0⅛	+0¼	9.01
World Bank 9 93	300	100½	100⅞	+0¼	−0⅛	8.75
World Bank 9¼ 98	300	100⅜	100⅞	+0⅛	−0⅛	9.11
World Bank 9⅝ 99	500	102⅞	103¼	+0⅛	−0⅛	9.12
World Bank 9⅞ 96	300	†102⅞	103⅛	0	−0⅛	9.08

Average price change... On day +0¼ on week −0⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. BK. 6 94	200	90½	91	0	0	8.38
Austria 6⅞ 99	750	90⅞	91⅜	+0⅛	+0⅛	8.15
Bk.Frgn.Econ.USSR 7 96	750	†89¾	90¼	−0¼	−0¼	9.25
Bank of Tokyo 5¾ 93	100	93¾	94¼	0	+0⅛	8.02
Commerzbank o/s. 5⅞ 93	300	93¼	93⅞	0	−0¼	7.94
Credit Foncier 6⅞ 99	500	†91⅛	91⅝	+0⅛	+0¼	9.20
E.I.B. 6¼ 99	600	87½	88	−0⅛	−0⅛	8.23
E.I.B. 6½ 99	300	91⅛	91⅞	−0⅛	0	7.86
E.I.B. 6⅝ 96	600	93⅜	94	0	−0⅛	7.96
E.I.B. 6⅞ 95	300	94½	95	0	+0⅛	8.03
E.I.B. 8 2000	500	99⅜	99⅞	+0⅛	+0⅛	8.02
Euro.Coal&Steel 7¾ 94	100	†101⅛	101⅝	+0⅛	0	7.43
Eurofima 6¼ 96	100	88½	89	−1	−3⅛	8.60
Elec De France 5¾ 97	300	85½	86¼	0	−0⅛	8.38
Hydro-Quebec 6¾ 99	300	90	90⅝	+0⅛	+0⅛	8.31
Japan Dev. Bk. 5⅜ 95	300	87⅞	88½	0	+0⅛	8.25
Japan Finance 5¾ 97	100	86⅝	87⅛	0	0	8.31
I.A.D.B. 7¼ 99	300	94	94½	+0⅛	−0⅛	8.14
Ireland 6½ 97	300	89⅞	90⅜	0	+0⅛	8.36
Ireland 7¼ 99	500	92⅞	93⅜	−0⅛	+0¼	8.30
Malaysia 6¼ 94	150	94⅝	95⅛	0	+0⅛	7.61
Nat. West BK. PLC 6 98	300	86¼	87	+0⅛	−0¼	8.30
Nippon Telg.&Tel. 6 95	400	90⅞	91½	0	0	6.72
Oesters. Kontbk. 5 93	300	91⅞	92⅜	0	+0½	8.12
Portugal 5⅞ 92	150	93¾	94⅜	0	0	8.43
Portugal 6⅝ 95	150	92⅞	93⅝	0	−0⅛	8.18
Royal Insurance 5½ 92	300	94⅝	95⅛	0	+0⅛	8.13
Turkey 6½ 95	500	89⅞	90½	+0¼	−0⅞	8.91
Union Bk.Finland 5½ 94	200	90⅝	91⅜	−0⅛	+0¼	8.25
World Bank 6 98	500	86⅜	87	0	0	8.20
World BK. 6¼ 97	600	89	89⅝	0	−0⅛	9.31
World Bank 6¾ 99	600	90⅝	91	0	0	8.18

Average price change... On day 0 on week 0

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev.Bk. 5 96	150	†86½	87	+0¼	+0⅜	7.66
Asfinag 5 03	100	†81	81½	+0⅜	−0¼	7.21
B.F.C.E. 4½ 98	200	†84⅛	85	+0⅛	+0⅝	6.96
B.M.W.Fin.Neth. 5 13	150	†77	78	−0½	−1	6.98
Britannia B/S. 4¾ 94	100	†86½	87½	+1½	+2¾	7.88
CIR. Int. W/W 3 93	125	†84	85	0	+1⅜	8.32
Credit Lyonnais 4¾ 00	100	†78	80	+0¾	+0⅞	7.78
E.I.B 4⅝ 98	150	†83½	84½	+0⅜	+0¼	7.23
Finn. Exp. Cd. 8¼ 92	75	†98½	99¼	−0⅜	−0¾	8.71
Fletcher Chall. 4⅞ 98	150	†73	74	0	−1	9.71
I.A.D.B. 6 2004	200	†89½	90	+0¼	−0⅞	7.15
Kobe City 4⅝ 98	150	†83	84	+0½	0	7.31
Leeds Perm. B/S. 4⅞ 93	200	†87½	88½	0	0	8.56
Malaysia 5⅛ 98	100	†80½	81½	0	+0⅜	8.49
Maxwell Comm.Crp. 5 95	150	†81½	82	+0¼	−0¼	9.48
Nat.Bk. Hungary 5½ 94	75	†85½	86½	−1	−2	9.18
Nationwide Ang.B/S. 4 93	200	†86	87	−0½	+0⅝	8.78
Prov. Newfoundland 5 03	150	†80½	81	+1	+0¼	7.24
Thailand 4⅝ 95	200	†82	84	−0½	−0⅛	8.66
World Bank 5 03	150	†80¼	81¼	−0¼	−0⅞	7.28

Average price change... On day +0⅛ on week +0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Canada 6⅛ 91	80	99⅜	99⅝	0	0	6.62
Canada 5⅝ 93	80	96⅛	96⅝	0	+0⅛	6.69
Eurofima 5 1995	20	92	92⅜	+0⅛	+0⅛	6.84
E.I.B. 4⅞ 93	30	94⅜	95	+0⅛	+0⅛	6.77
Ireland 5⅛ 93	30	†94¼	94⅝	+0⅛	+0⅛	7.07
Norway 5⅛ 95	50	93¼	93½	0	+0⅛	6.68
Sweden 4⅝ 93	50	93⅞	94⅛	+0⅛	+0¼	6.71
World Bank 5⅛ 98	10	89⅛	89⅝	+0⅛	+0¼	6.87
World Bank 7 94	20	100⅛	101	+0⅛	+0¼	6.78

Average price change... On day +0 on week +0¼

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Abbey Nat. 10⅛ 94 C$	150	–	–	–	–	–
Abbey Nat. 11⅝ 93 £	100	95⅛	95⅝	+0¼	+0⅞	13.60
Aegon 7⅛ 92 FL	100	98⅝	99⅛	−0¼	+0¼	8.00
Alg. Bk. Ned. 5⅜ 93 FL	200	92¼	92⅝	0	+0⅛	8.58
Austria 7½ 94 ECU	100	†91¼	91⅝	−0¼	−0¼	10.09
Barclays Aus.13½ 91 A$	100	97⅛	97⅝	0	+0⅛	15.22
Belgium 8⅛ 94 Ecu	150	†92⅛	92⅝	0	−0⅛	10.47
Bell Canada 10⅞ 04 C$	200	97⅛	98⅛	0	−1⅛	11.14
BP Capital 9¾ 93 £	100	90⅞	91⅛	+0⅛	+1	13.36
British Airways 10 98 £	100	86⅜	86⅞	+0¼	+0⅛	12.73
Brit. Telecom 9½ 93 £	150	†90⅞	91¼	+0⅛	+0¼	13.19
Comm.Bk.Aust. 12⅝ 93A$	100	†94⅛	94⅞	+0¼	+0⅛	14.71
Comm.Bk.Aus.13⅛ 94 NZ$	60	103	104	−0⅛	−0⅛	12.63
Credit Foncier 9 96 Ecu	100	†94⅞	95⅜	+0⅛	−0⅛	10.04
CrLocalFrance 9⅛ 92Ecu	100	†97⅞	98⅛	0	−0⅛	10.19
Deut.Bk.Aus. 13⅛ 93 A$	125	99	99½	+0⅛	−0⅛	13.60
Deutsche Bk. Fin. 15 94 A$	100	102⅛	103	+0¼	0	14.03
Elec.De France 9¾ 99C$	150	92⅜	92⅞	+0⅛	−0⅞	11.01
E.I.B. 7 96 LFr	100	*†93½	94⅛	0	−1¼	8.31
E.I.B. 7⅛ 99 FL	150	91⅝	92	0	+0⅛	8.42
E.I.B. 9 99 Ecu	150	†95⅛	95⅝	0	+0⅛	9.75
Eurofima 7⅝ 94 Ecu	100	†91	91⅛	0	−0¼	10.42
Export Dv.Crp.8¾ 92Ecu	100	†96⅞	97⅛	0	−0¼	10.34
Fed.Bus.Dv.Bk. 9 94 Ecu	100	†95⅝	96⅛	0	+0½	10.18
Fed.Bus.Dv.Bk.9⅞ 92 C$	75	†96⅛	97⅛	−0¼	−0⅛	11.29
Ferrv. Stato 7⅞ 93 Ecu	100	†92⅛	92⅝	+0⅛	+0⅛	10.50
Ford Cr.Can.10¾ 93 C$	100	†97⅞	98⅜	−0¼	−0⅞	11.51
Ford Cred.Can.10⅞ 96C$	125	97⅞	98⅜	0	−0⅞	11.33
Ford Cred.Fund.10¾ 93£	60	92⅜	92⅞	+0¼	+0⅝	13.32
G.M.A.C.Canada 11 3/4 94C$	100	100½	101⅛	−0¼	−0⅞	11.48
Heineken 7⅝ 94 FL	150	97⅛	97⅝	+0¼	+0⅜	7.99
Hydro-Quebec 11 99 C$	400	99⅜	99⅞	+0¼	−0⅛	11.06
Lloyds Bank 10¼ 98 £	150	86⅞	87⅜	+0⅛	0	12.92
Lloyds Bank 11⅞ 98 £	100	†91	91⅞	+0½	+1⅛	13.06
Nat. Aus. Bk. 14⅛ 94A$	100	99⅞	100⅜	+0⅛	+0⅛	14.73
New Zealand 9½ 93 £	100	89⅝	90⅛	+0⅜	+0½	13.52
O.E.K.B. 10¼ 99 C$	150	95	95½	+0¼	−0⅞	11.06
Royal Bk.Scot.10⅝ 98 £	[illegible]	88⅝	89⅛	0	−0¼	12.95
Saskatchewan 10¼ 93 C$	200	96⅞	97⅜	−0½	−1	11.19
State Bk.NSW. 13⅞ 93A$	100	98⅛	98½	−0⅛	+0¼	14.46
Sweden 7½ 93 Ecu	250	†91¼	91¾	+0¼	−0⅛	10.30
Sweden 15 94 A$	100	102½	103	+0¼	+0⅜	14.04
Toyota Mtr.Cr.10⅜ 94C$	150	96¾	97⅜	−0⅛	−0½	11.15
Toyota Mtr.Cr.11⅝ 92C$	150	99⅜	99⅞	0	−0⅞	11.50
World Bank 7⅛ 99 FL	300	91⅝	92	−0⅛	+0⅜	8.45
World Bank 10⅞ 94 £	200	†93½	94	+0⅛	+0⅝	12.72
World Bank 13⅞ 92 A$	100	99⅜	99⅞	+0⅛	−1½	13.46
World Bank 14⅛ 94 A$	75	100⅝	101⅛	+0¼	+0¼	13.91
Zentrspk. 13¼ 93 A$	75	†97⅜	97⅞	+0¼	+0⅛	14.05

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn
Alliance & Leic.Bld 94 £	.08	99.93	99.98	24/01	15.21
Bank of Greece 99 US	0¼	99.25	99.35	8/03	9¼
Belgium 91 US	0	100.11	100.21	21/02	8.81
Chelt.& Gloucester 94 £	.063	99.83	99.87	28/02	15.31
Credit Foncier 98 US	.063	99.79	99.89	20/04	8.31
Dresdner Finance 99 DM	.031	100.18	100.24	28/01	8.16
EEC 3 92 DM	0	100.20	100.30	22/02	6⅞
Halifax BS 94 £	.1	100.01	100.06	9/02	15.16
Invt. in Industry 94 £	†0⅛	99.95	100.05	17/01	15.19
Leeds Perm. B/S. 94 £	0⅛	100.05	100.10	15/01	15.37
Milk Mkt.Brd. 5 93 £	†0⅛	99.91	99.96	29/03	15⅛
New Zealand 5 97 £	.07	99.99	100.09	22/02	15⅛
Northern Rock 92 £	0⅛	99.84	99.89	20/01	5¼
State Bk. Nsw. 98 US	.188	100.02	100.12	11/02	8.81
Woolwich Equit. BS. 93 £	0⅛	100.01	100.06	15/01	15.37
Woolwich 5 95 £	0⅛	100.00	100.05	22/02	15.31

Average price change... On day −0.01 on week −0.02

CONVERTIBLE BONDS	Cnv. date	Cnv price	Bid	Offer	Chg. day	Prem
Alcoa 6¼ 02 US	†8/87	62.	106¼	107¼	−0⅛	7.83
Amer. Brands 7¾ 02 US	9/87	56.7	117¾	118¼	+0⅜	−0.54
Asda 4¾ 02 £	3/87	1.64	100⅝	101⅝	+0⅛	49.41
CBS. Inc. 5 02 US	4/87	200.	96½	97⅛	+2¼	8.00
Dai-Ichi Kan. 3⅞ 04 US	7/89	3486.	91⅛	92⅛	+0¼	6.26
Primerica 5½ 02 US	4/87	66.75	71¾	72¾	+0¼	84.57
Eng.China Clay 6½ 03 £	9/88	4.8	92⅝	93⅝	+0⅛	4.44
Fujitsu 3 99 US	5/84	1106.	224¼	225¼	−0⅛	−0.58
Ladbroke Grp. 5⅛ 04 £	6/89	3.55	101	102	0	14.03
Land Secs. 6¾ 02 £	6/87	6.72	85	86	0	15.61
Minolta Camera 2¼ 94DM	2/86	1004.	106	107½	−0¼	9.89
MCA Inc 5½ 02 US	9/87	69.62	91⅞	92⅞	0	19.93
Mitsubishi Bk. 3½ 04US	5/89	3266.	88	89	+0⅛	6.97
Next. Plc 5¾ 03 £	11/87	4.3	95⅛	96⅛	0	348.11
Nishi Nipp.Bk.2⅞ 03 US	4/88	804.	145⅛	146⅛	+2⅝	−0.78
Omnicom Inc. 6 1/2% 04 US	10/89	28.	101⅞	102⅞	0	21.31
Onward Tateki 2⅝ 02 US	[illegible]	[illegible]	274	275	−1	1.25
Ranks Hovis 4¾ 03 £	1/88	3.5	124	125½	+0⅛	1.54
Redland 7¼ 02 £	1/87	5.4	107	108	0	1.66
Saatchi&Saatchi 6¾ 03 £	†10/89	4.41	84½	85½	0	51.15
Silicon Graphics 8 04 US	6/89	23.18	127⅝	128⅝	+1	2.41
Sumitomo Bank 3¼ 04 US	[illegible]	[illegible]	84⅛	85⅛	+2⅛	9.88
Texas Inst. 2¾ 02 US	[illegible]	[illegible]	76⅛	77⅛	+0⅛	90.86
Utd.N'papers 8 04 £	10/89	8.77	117⅝	118⅝	+0⅜	148.36
W.R. Grace 6¾ 02 US	[illegible]	42.12	89¼	90¼	+0⅛	30.37

* No information available-previous day's price

† Only one market maker supplied a price

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡three-month; §above mean rate) for US dollars. C.cpn=The current coupon.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv date=First date of conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Treasuries fall despite weak purchasing report

By Janet Bush in New York, **Martin Dickson** in London and **George Graham** in Paris

US TREASURY bonds slipped back by yesterday's midsession in a reaction to Wednesday's sharp gains in spite of a report from US purchasing managers *saying that the economy* declined sharply in January for the ninth consecutive month.

GOVERNMENT BONDS

At midsession, the Treasury's benchmark long bond was quoted ½ point lower for a yield of 8.46 per cent.

The national report from US purchasing managers said the rate of decline in economic activity in January was the greatest since December 1982. The managers' index fell sharply to 45.2 per cent from 46.7 per cent in December.

The weakness in the national report confirmed the *softness in a report on Wednesday* from purchasing managers in the Chicago area.

The national report said there was a sharp fall in new orders, that employment declined for the eleventh consecutive month and that the inventories index was the lowest since December 1986. Prices declined for the eighth consecutive month but the rate of decline was the lowest since May 1989.

One reason for the market's relatively weak tone was news of a 28,000 decline in initial claims for unemployment benefit, a weekly figure which is closely watched because it provides an early hint for the monthly employment release due today.

On Wednesday, the bond market rallied in spite of testimony on the previous day by Mr Alan Greenspan, Fed chairman, saying explicitly that he thought the chances of a recession were low.

The present dynamics of the market are clearly technical and yesterday's modest declines were attributed mostly to profit-taking after Wednesday's full-point rally at the long end of the yield curve.

■ WEST GERMAN Government bonds ended the day marginally higher than overnight levels after an early morning *rally petered out in later trading.*

European troop cut proposals and a strengthening D-Mark against the dollar, propelled prices higher from the *opening. But there was no follow* through, with volume in the cash market very thin and *investors preoccupied by* today's new federal government issue. A weakening of US Treasuries at New York's opening also undermined sentiment.

The most recent federal 7¾ January 2000 bond was fixed at 97.07, up 25 pfennigs from the previous day's fix and about 10 higher than overnight. The *yield fell to 7.68 per cent from* 7.72 per cent. In late trading the bond was quoted around the fixing level.

■ UK GILTS closed little changed after a day of dull, featureless trading and light volume. In the absence of any powerful domestic influences, the market took its lead from international developments and opened up to ⅜ higher thanks to the overnight rise in US Treasuries but then fell back on profit taking. The benchmark 11¾ Treasury *stock due 2003/07 was quoted at* the close at around 106⅜, up ⅛, for a yield of 10.82.

■ THE FRENCH Government yesterday sold FFr8.1bn of bonds at its regular monthly auction, in a slightly strengthening market. The auction mostly focused on the 10-year fixed rate bond OAT 8.5 per *cent 2000, currently the principal* tapstock in the French Treasury's armoury.

The Treasury accepted bids for FFr4.75bn out of a total of FFr7.45bn bid for, at a cut-off price of 92.85.

This gives a weighted-average yield of 9.63 per cent, 7 basis points higher than at last month's auction but lower than in recent secondary market trading.

A further FFr1.8bn was sold of the OAT 8.5 per cent 2019, the longest bond sold by the French Government. The cut-off price of 89.15 gives an average yield of 9.60 per cent, 51 basis points higher than when it was last auctioned in December.

The floating rate OAT TME *2001 attracted a total of* FFr2.55bn of bids, of which the Treasury served FFr1.55bn at a cut-off price of 94.4. This gives a margin of 9 basis points above the average yield of government long bonds, on which it is indexed.

The auction dominated the day's trading and the market closed little changed. At the close the benchmark OAT ½ due 1999 was quoted at a yield of 9.66, virtually the same as *overnight, while the yield* spread against the German market was unchanged at around 195 basis points.

■ THE DUTCH market tracked Germany, overshadowed by today's new Bund issue. Prices shed much of the early gains on short covering and by the close were an average of 10 cents higher.

BENCHMARK GOVERNMENT BONDS

	Coupon	Red Date	Price	Change	Yield	Week ago	Month ago
UK GILTS	10.000	4/93	94-15	+2/32	12.11	12.20	11.46
	10.500	5/98	85-30	-2/32	11.20	11.15	10.58
	9.000	10/08	86-11	-5/32	10.29	10.17	9.58
US TREASURY *	7.875	11/99	98-09	-2/32	8.44	8.33	7.93
	8.125	8/19	98-12	-2/32	8.46	8.38	7.99
JAPAN No 119	4.800	6/99	89.7496	+0.572	6.57	6.51	5.72
No 2	5.700	3/07	95.0558	+1.008	6.30	6.40	5.66
GERMANY	7.125	12/99	96.2700	+0.070	7.68	7.72	7.46
FRANCE BTAN	8.000	10/94	91.4948	-0.030	10.35	10.28	10.21
OAT	8.125	5/99	90.7500	+0.010	9.66	9.56	9.50
CANADA *	9.250	12/99	95.4000	+0.200	9.99	9.91	9.56
NETHERLANDS	7.500	11/99	94.7200	+0.020	8.30	8.28	8.02
AUSTRALIA	12.000	7/99	95.6805	-0.105	12.76	12.75	12.92

London closing, *denotes New York morning session
Yields: Local market standard. Prices: US, UK in 32nds., others in decimal

Technical Data/ATLAS Price Sources

JSDA posts guidelines on tokkin funds

THE JAPAN Securities Dealers Association (JSDA) has issued guidelines to make the management of tokkin funds, or special money trusts, more transparent, Reuters reports.

The finance ministry asked the industry group in late December to tighten its self-regulatory practices after *concluding* that it was too easy for securities houses to use tokkin funds to buy and *sell stocksto guarantee* returns.

Tokkin are theoretically managed by investment management companies or by investors themselves, such as companies or *financial institutions*, with trust banks acting as custodians. But in practice, the investor will often entrust the money to a brokerage to manage at will.

The guidelines say that investors wanting to open a tokkin account must be listed on a Japanese stock exchange or registered with the over-the-counter market.

Corporations investing in tokkin should have a tokkin fund manager *on their staff* with at least five years experience, while financial institutions would be required to have Y50bn in deposits and savings, the JSDA said.

An existing account with realised or potential losses of 10 per cent or more would be placed on a brokerage watch list and if it were still on the list *after three months*, details would be reported to senior officials of the company managing the account and the investor.

The ministry has already asked for checks on tokkin involving three levels of management at brokerages and reports to ministry officials every six months.

Under the guidelines, investors should be asked to submit written promises not to ask *securities firms for guaranteed* returns, the JSDA said.

The JSDA's 260 member brokerages will now formulate in-house rules and submit them to the ministry for approval.

Tokkin funds and fund trusts, which are similar, but managed instead by the trust banks, together are worth about Y41bn.

Spain streamlines debt markets

Peter Bruce on the latest drive to upgrade Madrid as a capital centre

The Spanish Government is planning to issue the country's first Ecu-denominated bond – worth Ecu500m – later this month as part of a determined new drive to balance its public debt structure and to modernise Spain's capital markets.

Mr Manuel Conthe, director general of the Spanish Treasury, also confirmed in an interview that the Treasury would from now on consider allowing non-supranational foreign institutions to issue peseta-denominated bonds, so-called Matador bonds, and that it planned to streamline the current slow process of withholding tax on Government bonds held by non-residents. Mr Conthe also hinted that *a rule imposed in early* 1987, whereby interest is not paid on convertible peseta deposits worth more than Pta10m may be discontinued. The restriction was imposed to help stem the flow of speculative capital into Spain, which was then suffering interest rates above 20 per cent.

The moves come as the Government appears to be having some success in its effort to cool the economy and Mr Conthe implied that the capital controls imposed in 1987 and last year which did not directly *contribute to dampening* consumer demand and credit may soon become redundant.

The Government has already stopped insisting that local banks deposit 20 per cent of any money they borrow abroad in non-interest bearing accounts with the Bank of Spain. A similar rule still applies to corporate and private borrowers who have to deposit 30 per cent of the foreign loan with the central *bank.*

At the same time, though, the Government and the Bank of Spain worry about how to finance Spain's spiralling current account deficit, which quadrupled last year to reach $11.6bn or 3.5 per cent of GDP. For the past two years, much of the foreign capital inflow that has helped cushion the *deficit has been speculative*. The Government, by modernising and liberalising its debt instruments, is clearly trying to ease a highly-distorted payments burden.

The Treasury uses four principle instruments:

● Pagares del Tesoro; short-term low interest promissory notes used mainly to attract undeclared income. *There is constant debate about* whether to phase them out.

● Letras del Tesoro (Treasury bills); hugely popular among foreign investors, they have become in just two years, the most sought after issues in the Treasury's armoury.

● Bonos del Estado (Treasury notes) and Obligaciones del Estado (Treasury bonds); traditional medium and long-term bonds subject to a 25 per cent withholding tax upon coupon payments. Capital gains tax is paid in the country of residence.

May, two months after the Government had imposed a withholding tax on Letras, the *volume of Letras in non-resident* hands rose to a record Pta430bn. It had fallen again to *Pta133bn by mid-January.* Meanwhile, outstanding Treasury notes and bonds in non-resident *hands* has risen in volume from Pta208bn to Pta251bn in the last 12 months.

Auctions of three-year bonds towards the end of the year were disappointing, however, in spite of a rise in yields to 13.53 per cent in December, well above the rate on Letras, which had fallen to 13.07 in December from 14.42 per cent last spring. The absence of buyers may be *cyclical, but* the Treasury is not taking any chances.

Summary of main capital controls

Non-residents:

■ Convertible peseta deposits above Pta10m ($92,000) cannot be remunerated.
■ Forward purchase and sale as well as repurchase agreements of government securities are not allowed.
■ Forward purchase of foreign currency is allowed only against convertible pesetas and for not less than seven days.

Residents:

Banks:
■ Foreign currency holdings limited to percentage of capital through required "guarantee" ratios.

Non-banks:
■ Foreign currency and convertible peseta bank accounts not allowed – except for exporters who are subject to certain limitations.
■ Prior authorisation required on foreign loans greater than Pta1.5bn with maturity less than three years.
■ Non-interest bearing prior deposit of 30 per cent on foreign loans.

Source: Chase Manhattan and Banco de Espana

One of Madrid's most pressing problems is that Treasury bills and pagares account for more than half the redemption payments – nearly Pta9,000bn – it will have to make this year, while medium and long-term bonds attract relatively little interest abroad. "It is horrendous to have to pay so much in the short term," says Mr Jaime de Pinies, chief economist *at Chase Manhattan in* Madrid.

Mr Conthe agrees. "We want foreign investors to move from Letras to (traditional) public debt instruments," he says.

To a certain extent, moves to lower interest paid on Letras is working. At the end of last

To make the shift from short to long-term easier and more attractive to foreigners, Mr Conthe wants to cut out long delays in the deduction of withholding taxes on notes and bonds. At present the Spanish deduct 25 per cent and if the *buyer lives in a country with* which Spain has a double taxation agreement they can then apply for repayment of the difference between the 25 per cent and an amount agreed in the tax treaty.

In most cases, this last amount is 15 per cent, and 12 per cent for UK residents. Madrid is currently negotiating a tax agreement with the US, *where enthusiasm* for Letras has probably been greatest and where it hopes to generate new *enthusiasm* for its longer-term offerings.

The Treasury wants to eliminate the *application for repayment* and simply deduct the final amount the investor ends up paying on interest received.

Officials believe the delays involved in repaying some of the withholding tax are partly responsible for the "coupon-washing" of Spanish Government bonds that Mr Conthe said has now reached "massive" proportions. Bond holders abroad normally sell them to a Spanish bank just before the coupon date and the bank sells them on again after collecting on the coupon and, *subsequently, entering a tax credit* in its books.

Mr Conthe said the Treasury had waited until now to enter the Ecu bond market because it did not want to appear to contradict the restrictions placed on private borrowing abroad a year ago. He said at least two Ecu issues would be made this year. Entering the Ecu market, he said, had also assumed political significance since Prime Minister Felipe *Gonzalez* was keen to demonstrate Spain's commitment to monetary integration in the *European Community following* the peseta's entry into the exchange rate mechanism of the European Monetary System last summer.

He could not, he said, be specific about future issues of Matador bonds, the first of *which was issued by Eurofima* in June 1987. Since then, some 33 borrowers – all supranational *bodies of which Spain is* a member – have issued straight Matadors worth more than Pta300bn. The biggest borrower has been the European Investment Bank, with seven issues, one worth Pta20bn in 1988.

Matador bonds compete with Government bonds and the Treasury's decision to allow *new institutions to issue them* has yet to be tested. Last year two non-supranational offers of three-year Matadors in the Euromarkets were withdrawn when Madrid disapproved. The Spanish are clearly going to be careful about who they allow in to the Matador club.

LONDON MARKET STATISTICS

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS Figures in parentheses show number of stocks per section		Thursday February 1 1990 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at (25%)	Est. P/E Ratio (Net)	xd adj. 1990 to date	Wed Jan 31 Index No.	Tue Jan 30 Index No.	Mon Jan 29 Index No.	Year ago (approx) Index No.
1	CAPITAL GOODS (203)	893.97	+0.1	12.71	4.77	9.59	1.34	892.64	890.38	897.07	899.40
2	Building Materials (27)	1100.94	+0.5	14.30	5.14	8.72	0.36	1095.13	1088.98	1087.22	1121.35
3	Contracting, Construction (36)	1514.86	+0.3	16.38	5.21	7.99	0.14	1511.06	1511.92	1519.31	1664.07
4	Electricals (10)	2591.03	+0.2	10.39	4.80	12.10	0.00	2586.74	2582.49	2585.17	2436.31
5	Electronics (30)	1929.35	-0.3	9.29	3.73	13.92	9.76	1935.08	1929.66	1957.26	2040.69
6	Engineering-Aerospace (8)	456.44	+0.4	13.25	4.84	9.27	0.04	454.39	453.80	454.54	0.00
7	Engineering-General (45)	476.57	....	11.74	4.92	10.28	0.34	476.49	475.71	479.02	0.00
8	Metals and Metal Forming (6)	466.71	+0.1	25.27	6.44	4.47	0.00	466.85	461.89	471.41	813.72
9	Motors (16)	381.64	+0.2	13.89	5.53	8.44	0.00	381.03	381.01	383.77	382.67
10	*Other Industrial Materials (25)*	1608.70	+0.1	10.46	4.48	11.07	3.00	1606.46	1606.58	1619.26	1510.31
21	CONSUMER GROUP (177)	1280.66	....	8.81	3.71	14.18	2.10	1280.96	1281.10	1286.58	1167.17
22	Brewers and Distillers (22)	1509.76	....	9.28	3.48	13.29	6.54	1509.91	1507.58	1515.37	1268.01
25	*Food Manufacturing (19)*	1133.46	+0.7	9.46	3.90	13.16	1.76	1125.91	1124.16	1129.61	1044.89
26	Food Retailing (16)	2324.32	+0.4	8.73	3.26	14.86	3.63	2314.04	2313.47	2297.21	2079.22
27	Health and Household (13)	2483.36	-0.8	6.31	2.63	18.89	0.20	2503.30	2520.52	2545.09	2077.93
29	*Leisure (33)*	1626.83	....	8.27	3.64	14.89	0.54	1626.40	1624.27	1626.85	1542.81
31	Packaging & Paper (13)	581.86	+0.5	12.08	5.33	10.45	0.90	578.77	576.99	576.86	587.94
32	Publishing & Printing (17)	3600.31	+0.3	8.71	4.91	14.83	20.50	3589.13	3562.30	3566.99	3747.33
34	Stores (31)	781.47	....	11.16	4.81	11.66	[illegible]	781.15	779.58	784.84	781.82
35	Textiles (13)	513.76	-0.5	11.25	5.84	10.78	0.00	516.29	517.79	519.69	521.94
40	OTHER GROUPS (103)	1177.95	+0.4	10.85	4.73	11.04	0.30	1173.69	1168.20	1172.79	1032.29
41	Agencies (16)	1531.28	+0.3	6.84	2.19	17.97	0.05	1526.98	1539.30	1553.96	1189.97
42	Chemicals (22)	1197.99	-0.2	12.66	5.37	9.31	0.27	1200.44	1201.88	1213.73	1177.57
43	Conglomerates (13)	1614.70	+0.2	11.13	6.07	10.56	0.00	1612.20	1610.99	1617.69	1421.03
44	Transport (13)	2299.20	+0.1	10.52	4.18	12.11	2.08	2297.43	2287.65	2291.20	2204.21
46	Telephone Networks(2)	1243.54	+0.8	10.21	4.12	12.73	0.00	1233.93	1216.36	1221.11	1130.19
47	Water(10)	2020.86	....	17.24	6.70	6.42	0.00	2021.59	2007.57	2008.79	0.00
48	Miscellaneous (27)	1883.92	+0.8	9.42	4.36	11.98	0.91	1869.11	1860.33	1861.73	1412.95
49	INDUSTRIAL GROUP (483)	1166.36	+0.1	10.41	4.29	11.75	1.37	1164.67	1162.31	1168.09	1078.24
51	Oil & Gas (17)	2445.17	+0.9	8.81	4.66	15.00	6.21	2423.95	2367.68	2371.12	1936.44
59	*500 SHARE INDEX (500)*	1272.49	+0.3	10.18	4.34	12.14	1.75	1269.30	1262.84	1268.48	1151.32
61	FINANCIAL GROUP (114)	854.23	+0.6	–	4.98	–	0.35	849.03	843.81	838.01	750.86
62	Banks (9)	910.02	+1.1	18.82	5.52	6.98	0.00	899.70	891.59	881.86	746.82
65	*Insurance (Life) (7)*	1443.49	+0.3	–	4.60	–	0.00	1438.74	1428.89	1402.55	1068.58
66	Insurance (Composite) (7)	722.87	+0.6	–	5.23	–	0.00	718.43	711.22	705.03	680.98
67	Insurance (Brokers) (6)	1139.86	-1.1	6.48	5.53	20.54	0.00	1152.42	1156.27	1142.32	1035.47
68	Merchant Banks (8)	481.53	-0.1	–	3.69	–	0.00	481.83	478.84	481.07	341.77
69	Property (49)	1188.70	+0.5	7.71	3.63	16.40	0.94	1183.23	1181.85	1190.29	1306.65
70	Other Financial (28)	331.13	-0.5	12.72	6.36	10.31	1.44	332.65	333.92	333.34	382.92
71	Investment Trusts (68)	1235.63	+0.5	–	2.96	–	0.45	1229.40	1228.12	1229.97	1056.67
91	Overseas Traders (5)	1406.35	-0.6	10.82	6.50	10.87	30.79	1414.49	1421.33	1431.55	1358.91
99	ALL-SHARE INDEX (687)	1170.77	+0.3	–	4.41	–	1.55	1167.15	1161.24	1164.32	1053.84
		Index No.	Day's Change	Day's High (a)	Day's Low (b)	Jan 31	Jan 30	Jan 29	Jan 26	Jan 25	Year ago
	FT-SE 100 SHARE INDEX♦	2345.8	+8.5	2355.4	2343.6	2337.3	2322.0	2328.8	2314.5	2289.9	2043.4

FIXED INTEREST

	PRICE INDICES	Thu Feb 1	Day's change %	Wed Jan 31	xd adj. today	xd adj. 1990 to date
	British Government					
1	Up to 5 years	115.45	+0.16	115.26	–	1.33
2	*5-15 years*	*125.22*	*+0.13*	125.06	–	1.31
3	Over 15 years	134.36	+0.13	134.51	0.33	0.33
4	Irredeemables	151.83	+0.10	151.67	–	0.00
5	All stocks	124.55	+0.14	124.41	0.03	1.22
	Index-Linked					
6	Up to 5 years	141.88	+0.35	141.39	–	0.00
7	Over 5 years	138.37	+0.48	137.70	–	0.47
8	All stocks	138.52	+0.47	137.86	–	0.44
9	Debentures & Loans	102.73	+0.09	102.64	–	0.35
10	Preference	82.20	....	82.20	–	0.16

	AVERAGE GROSS REDEMPTION YIELDS		Thu Feb 1	Wed Jan 30	Year ago (approx.)
	British Government				
1	Low	5 years	10.62	10.67	9.08
2	Coupons	15 years	10.24	10.24	8.87
3		25 years	10.12	10.12	8.82
4	Medium	5 years	11.67	11.78	10.09
5	Coupons	15 years	10.61	10.63	9.33
6		25 years	10.23	10.24	8.99
7	High	5 years	11.81	11.85	10.26
8	Coupons	15 years	10.85	10.88	9.54
9		25 years	10.39	10.38	9.15
10	Irredeemables		10.16	10.17	8.82
	Index-Linked				
11	Inflation rate 5%	Up to 5yrs.	3.95	4.06	3.57
12	Inflation rate 5%	Over 5 yrs.	3.75	3.78	3.62
13	Inflation rate 10%	Up to 5 yrs.	3.04	3.15	2.72
14	Inflation rate 10%	Over 5 yrs.	3.58	3.61	3.45
15	Debs &	5 years	13.30	13.30	11.69
16	Loans	15 years	12.68	12.69	11.20
17		25 years	12.67	12.68	10.80
18	*Preference*		11.29	11.29	10.08

♦Opening Index 2346.5; 10 am 2354.1; 11 am 2348.4; Noon 2351.8; 1 pm 2352.0; 2 pm 2350.2; 3 pm 2349.1; 3.30 pm 2344.1; 4 pm 2343.6 (a) 9.45am (b) 3.37pm † Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, *Number One*, Southwark Bridge, *London SE1 9HL, price 15p, by post 34p.*
NAME CHANGE: (31/1/90) Northern American Trust (71) has become Dunedin Worldwide Investment Trust. CONSTITUENT CHANGES: (1/2/90) UK Paper (31) has been deleted and replaced by Hardy Oil & Gas(51).

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	88	0	12
Corporations, Dominion and Foreign Bonds	7	1	29
Industrials	382	271	959
Financial and Properties	208	83	407
Oils	40	18	36
Plantations	2	0	8
Mines	8	67	86
Others	109	46	96
Totals	844	486	1,633

LONDON RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1989/90 High	1989/90 Low	Stock	Closing Price p	+ or -	Net Div.	Times Cov'd	Gross Yield	P/E Ratio
$100	F.P.	–	101	95	Abtrust New Thai Inv.	97		–	–	–	–
§	F.P.	–	61	45	Do. Warrants	52	+1	–	–	–	–
§75	F.P.	–	91	81	‡Air London 5p	90		R2.25	2.5	3.3	13.6
–	F.P.	–	2½	½	‡Atlantic Res. Warrants	1		–	–	–	–
–	F.P.	–	4½	1	Bear Brand Warrants	3½	+½	–	–	–	–
§42	F.P.	–	45	37	*Blacare 1p	38	+1	–	–	–	–
†	F.P.	–	300	300	*Chartwell Group £1	300		R1.0	–	0.4	–
†	F.P.	–	215	215	*Citybond Storage Serv.£1	215		–	–	–	–
–	F.P.	–	49	39	First Philippine Inv. Tst.	40		–	–	–	–
–	F.P.	–	22	18	Do. Warrants	19	+1	–	–	–	–
†	F.P.	–	59	57	Gartmore Emg. Pac.10p	58		R0.1	–	0.2	–
†	F.P.	–	26	23	Do. Warrants	23		–	–	–	–
[illegible]	F.P.	–	108	103	Grosvenor Dev. Cap.	107		–	–	–	–
§36	F.P.	–	43	38	*Image Store Hldgs. 10p	42		–	–	–	–
§	F.P.	–	600	460	JF Philippine Fd $1	460	-1	–	–	–	–
§	F.P.	–	265	193	Do. Warrants	200		–	–	–	–
†	F.P.	–	666	636	Kyowa Bank Y50	640	-2	Q14%	4.7	0.4	47.5
100	F.P.	–	103	99	Lon. & New York Co. Tst.	100		N6.38	–	8.5	–
$10.5	F.P.	–	660	610	Malaysian Smllr. Co's Fd.	616	-1	–	–	–	–
§	F.P.	–	276	233	Do. Warrants	267	-1	–	–	–	–
–	F.P.	–	30	22	Merlin Intl Green Wrnts	28	-2	–	–	–	–
§75	F.P.	–	78	68	‡Micklegate Group 1p	68	-2	R2.25	[illegible]	[illegible]	8.0
§	F.P.	–	505	505	Northam Platinum	505		–	–	–	–
240	100	–	187	100	Northumbrian Water	186	+1	R16.1	3.6	6.6	4.6
55	F.P.	–	72	55	*Oxford Virology 5p	65	+2	–	–	–	–
90	F.P.	–	93	90	Platinum Mining 20p	90		–	–	–	–
†	F.P.	–	11	9½	*Polysource Hldgs. 5p	9½	-½	–	–	–	–
240	100	–	157½	100	Severn Trent	149	+1	R14.05	3.0	6.9	4.9
§25	F.P.	–	40	25	‡Storm Group 1p	36		–	–	–	58.1
§	F.P.	–	16½	12½	‡Surrey Group 5p	13½		R0.23	3.3	2.2	12.7
†	F.P.	–	195	195	Sutton Dist. Water A 1p	195		–	–	–	–
§	F.P.	–	135	130	Do. B 1p	135	+5	–	–	–	–
240	100	–	169	100	Thames Water	158	-1	R14.58	[illegible]	6.5	7.2
£2400	£1000	–	£1670	£1000	Water Package Units	£1663		–	–	–	–
240	100	–	182	100	Wessex Water	178	-2	R15.21	2.6	6.4	6.6
240	100	–	186	100	Yorkshire Water	179	-1½	R15.42	[illegible]	6.4	7.1

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1989/90 High	1989/90 Low	Stock	Closing Price £	+ or -
–	F.P.	–	85p	71p	Bear Brand 10¼pc (Net) Cv. Cm. Pf.	71p	
98.94	F.P.	–	97¼	94¼	British Inv. Tst. 11¼pc Sec. Db 2012	94¾	+¼
89.65	£30	–	30¼	28¾	Brixton Ests. 10¼pc 1st Mtg Db 2012	28¾	+¼
99.68	F.P.	–	100¾	95¾	Foreign & Col. 11¼pc Db 2014 £100	96½	+½
§	£50	–	56	53	Grosvenor Dev. Cap. 7¼pc Uns.Ln 1999	54½	
100	F.P.	–	100	97	[illegible] 12pc Sr.Uns Ln 2000	99	+2

RIGHTS OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1989/90 High	1989/90 Low	Stock	Closing Price p	+ or -
280	Nil	5/3	27pm	14pm	Cook (Wm.) 20p	14pm	
130	Nil	5/3	14pm	8pm	Fisher (A.) 5p	14pm	+3
100	Nil	28/2	6pm	4pm	[illegible] 10p	½pm	
90	Nil	–	3pm	1pm	Platinum Mining 20p	1½pm	
670	Nil	–	114pm	91pm	Rank Organisation	101pm	+7

a Annualised dividend. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. q Earnings based on preliminary figures. s Dividend and yield exclude special payment. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. H Dividend and yield based on prospectus or other official estimates for 1989. K Dividend and yield based on prospectus or other official estimates for 1990-91. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1990. N Dividend and yield based on prospectus or other official estimates for 1989/90. Q Gross. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma figures. § Issued by tender. ‡ Offered to holders of ordinary shares as a "rights". † Introduction. ¶ Placing price. †† Reintroduction. ‡ Unlisted securities market. * Third Market.

TRADITIONAL OPTIONS

● First Dealings	Jan 22
● Last Dealings	Feb 2
● *Last Declarations*	Apr 26
● For settlement	May 8

For rate indications see end of London Share Service

Calls in Tusker Res., Aviva Pet., Kenmare Res., Saatchi & Saatchi and Nu-Swift.

LONDON TRADED OPTIONS

THE start of dealings in a new Euro-FTSE 100 index contract helped boost turnover yesterday on the London Traded Options Market. Other features included a *large technical trade in the Water* Package, and a pick-up in business in the LTOM's other FT-SE *contract.*

The new FT-SE contract is a European-style option, which means it can only be *exercised* at the end of its life. The LTOM's existing instruments are all based on the US model whereby the buyer has the right to exercise at any time during the life of an option.

Trading in the new contract began hesitantly. Uncertainty on the part of marketmakers on how to price the Euro-FTSE led to some anomalies opening up between it and the other FT-SE contract. This prompted some institutions and brokerages to *exploit these early difficulties by* arbitraging between the contracts. But the market was soon pricing *the new contract confidently and* the price differentials narrowed, which stopped the switching.

By the end of the day, 3,242 lots of the new FT-SE contract had changed hands, which was less *than half the turnover of the older* FT-SE contract. But dealers said the total was no less than had been expected, adding that institutions, which the contract had been aimed at, had yet to become acquainted with the new product. The day's total was divided 1,405 calls and 1,837 puts, with the *March 2,375 call series the busiest,* trading 425 lots.

Interest in the new contract was *helped by gains on the underlying* market, though some of these were pared during the afternoon *as Wall Street opened lower.* The stockmarket's recovery, which prompted brisk cash market *trade, led to busier turnover in* the other FT-SE contract. Total volume amounted to 8,723 lots *against 8,041 on Wednesday.* Yesterday's total was divided between 3,166 calls and 5,557 puts.

Among the stock options, the Water Package was the most active.

Option		CALLS Apr	Jul	Oct	PUTS Apr	Jul	Oct
Allied Lyons (*496)	460	57	67	82	7	16	19
	500	30	42	57	22	32	35
	550	11	21	35	58	62	65
ASDA (*111)	110	10	16	19	7	10	11
	120	7	12	14	15	16	17
Brit. Airways (*201)	180	29	33	37	3	6	7
	200	15	19	25	8	13	15
	220	7	11	17	22	25	27
Brit. Com (*73)	70	11	13	16	9	11	12
	80	6	9	12	11	13	18
SmKl Beecham A (*547)	500	46	61	76	6	12	15
	550	32	49	46	23	29	33
	600	13	27	41	57	59	61
Boots (*269)	260	25	31	37	7	10	13
	280	12	20	27	16	21	23
B.P. (*345)	300	50	56	62	2½	4	5
	330	25	32	39	5½	10½	13
	360	9½	16½	23	20	23	26
British Steel (*133)	130	–	12½	14½	–	7	8½
	135	6½	–	–	6	–	–
Bass (*1004)	1000	68	90	125	30	37	45
	1050	37	62	95	60	65	70
	1100	20	40	–	100	100	–
C & Wire (*533)	500	62	79	99	12½	22	27
	550	32	47	67	35	42	47
	600	15	26	–	73	77	–
Courtaulds (*385)	360	43	52	58	8	16	19
	390	24	33	45	20	28	32
	420	12	20	–	40	46	–
Com. Union (*511)	500	27	44	53	18	22	27
	550	11	22	–	54	56	–
GKN (*430)	420	28	46	54	21	26	31
	460	14	26	36	48	52	57
Grand Met (*608)	600	42	67	82	23	28	33
	650	25	41	55	50	58	57
I.C.I. (*1089)	1050	65	97	114	14	47	57
	1100	38	70	89	67	74	79
	1150	21	50	–	105	107	–
Kingfisher (*276)	260	29	33	42	5	11	15
	280	17	22	29	14	20	25
Ladbroke (*318)	300	33	40	52	6	19	13
	330	16	22	37	19	23	26
Land Secur (*501)	500	32	40	57	18	24	30
	550	11	18	35	55	59	60
M & S (*202)	180	30	34	41	1½	3½	4½
	200	13½	19	26	6½	10	11
	220	4½	9	–	19	21	–
STC (*260)	240	29	39	44	10	13	15
	260	17	26	33	20	21	24
Sainsbury (*267)	260	20	26	35	8	9	13
	280	9	15	–	17	19	–
Shell Trans. (*487)	460	39	55	65	11	15	20
	500	17	31	42	28	33	37
Storehouse (*112)	110	11	14	18	7	10	13
	120	6	10	13	13	17	18
Trafalgar (*340)	330	32	38	50	14	22	23
	360	17	24	35	30	37	42
Utd. Biscuits (*342)	330	27	38	46	12	14	16
	360	12	22	30	30	32	33
Unilever (*673)	650	47	68½	90½	12½	17½	20½
	700	19½	39½	61	37½	41½	44½

Option		CALLS Apr	Jul	Oct	PUTS Apr	Jul	Oct
Ultramar (*378)	360	35	50	60	13	17	20
	390	20	30	43	28	32	35

Option		Feb	May	Aug	Feb	May	Aug
Brit. Aero (*560)	550	26	49	65	13	32	43
	600	5	25	40	45	64	72
BAA (*392)	390	13	34	40	9	17	23
	420	3½	18	27	29	35	42
BAT Inds (*896)	800	31	62	86	16	34	40
	850	9	40	58	49	57	65
BTR (*439)	420	25	40	54	4	15	18
	460	4	20	32	25	37	38
Brit. Telecom (*306)	280	28	40	47	1	4	7
	300	11	25	32	3	9	13
	330	1½	11	16	25	26	28
Cadbury Sch (*357)	330	32	43	57	3½	10	14
	360	12	26	39	12	25	27
Guinness (*665)	650	27	48	78	9	24	28
	700	4	25	43	40	48	52
GEC (*231)	220	14	22	33	2½	6½	10½
	240	3	15	20	11½	15	19
Hanson (*224)	220	8½	20	24½	2½	6	9½
	240	1	9	14½	16½	18	21
LASMO (*635)	600	45	68	90	5	18	27
	650	13	42	58	27	43	48
P. & O. (*621)	600	30½	50½	70½	5	21½	25½
	650	6	25½	42½	32½	49½	51½
Pilkington (*225)	220	11	23	28	4	8	13
	240	2	13	17	17	19	25
Prudential (*228)	220	12	17	29	5	11	13
	240	5	9	17	15	21	23
Racal (*218)	210	16	27	–	5½	10	–
	220	–	–	27	–	–	18
R.T.Z. (*508)	500	–	40	59	–	25	28
	542	7	–	–	37	–	–
Scot. & New (*334)	330	14	32	42	10	18	22
	360	2	10	–	39	39	–
Tesco (*200)	200	6	14½	21½	5	9½	11
	220	2	6½	–	22	22½	–

Option		Mar	May		Mar	May	
Ferranti (*37)	35	7	8½	–	4½	6½	–
	40	4½	6½	–	7½	9	–

Option		Apr	Jul		Apr	Jul	
Jaguar (*849)	800	–	52	–	½	½	–
	850	½	[illegible]	–	–	1	–

Option		Feb	May		Feb	May	
Plessey (*268)	260	11	–	–	½	–	–
	280	¼	¼	–	–	–	–

Option		Mar	May	Aug	Mar	May	Aug
Polly Peck (*414)	390	41½	54	68½	10½	20	24
	420	24	36½	51½	23½	34½	38½
Thames Water (*150)	140	21	24	30	½	2	5
	160	7½	13	16	6	8	15
	180	2	6	–	23	23	–
Water Hldg Pkg (*£1664)	1600	110	160	190	40	50	100
	1650	80	120	150	60	70	120
	1700	55	100	130	90	95	140

Option		Feb	Apr	Jun	Feb	Apr	Jun
Reuters (*995)	950	61½	95	–	7½	26½	–
	1000	27½	65	91	25½	47½	59½

Option		CALLS Mar	Jun	Sep	PUTS Mar	Jun	Sep
Abbey Nat. (*186)	180	13	19	23	5	8	10
	200	4	9	–	19	22	–
Amstrad (*49)	45	8	11	14	4	6	7
	50	5	8	11½	6	8	9½
Barclays (*587)	550	48	59	73	11	17	23
	600	15	33	44	33	36	45
Blue Circle (*235)	220	24	28	36	4	10	12
	240	–	16	25	–	19	22
British Gas (*226)	220	13	24	26	4	8	10
	240	3½	12	15	15	18	19
Dixons (*128)	120	12	17	21	3	6	7
	130	6	11	15	5	10	12
Glaxo (*708)	700	38	64	90	20	32	40
	725	25	50	–	32	42	–
Hawker Sidd. (*670)	650	50	70	95	20	40	40
	700	25	43	68	45	68	67
Hillsdown (*269)	260	20	27	37	6	11	14
	280	9	16	26	16	21	23
Lonrho (*277)	260	28	43	–	6	9	–
	280	15	31	37	13	17	22
Midland Bk (*386)	360	37	45	55	11	15	25
	390	14	30	40	30	35	38
R. Royce (*179)	160	23	26	32	2	5½	7½
	180	8½	14	20	8	13½	15
Sears (*100)	100	6	9½	12	3½	6	9
	110	2	5	9	11	14	15
THF (*294)	280	24	31	40	6	12	14
	300	12	19	29	13	20	24
Thorn EMI (*784)	750	57	91	100	11	20	31
	800	25	57	67	30	40	53
TSB (*145)	130	18	25	26	2½	4	6
	140	9	15	19	4	7	9
Vaal Reefs (*$127)	120	13	20	23	7	10	14
	130	7	16	19	12	16	19
Wellcome (*700)	700	42	77	105	35	50	55
	750	22	52	83	62	75	83

EURO FT-SE INDEX (*2340)

	2225	2275	2325	2375	2425	2475	2525	2625
CALLS								
Mar	152	120	87	60	41	27	16	–
Jun	215	–	150	–	97	–	63	35
Sep	258	–	196	–	142	–	101	70
Dec	295	–	236	–	175	–	132	100
PUTS								
Mar	23	36	55	75	105	138	183	–
Jun	45	–	74	–	122	–	176	246
Sep	57	–	85	–	125	–	174	237
Dec	70	–	90	–	128	–	173	226

FT-SE INDEX (*2340)

	2100	2150	2200	2250	2300	2350	2400	2450
CALLS								
Feb	257	210	163	120	79	47	25	13
Mar	273	228	184	145	107	77	53	34
Apr	–	–	205	165	128	96	71	51
May	–	–	220	183	148	116	90	68
Jun †	320	–	240	–	170	–	123	–
Dec †	–	–	320	–	250	–	190	–
PUTS								
Feb	4½	6½	10	17	28	48	78	117
Mar	12	15	22	30	45	66	94	128
Apr	–	–	29	41	55	73	100	136
May	–	–	35	47	61	83	107	142
Jun †	24	–	40	–	68	–	117	–
Dec †	–	–	77	–	103	–	145	–

February 1 Total Contracts 38,706
Calls 24,880 Puts 13,826
FT-SE Index Calls 3,166 Puts 5,557
Euro FT-SE Calls 1,405 Puts 1,837
*Underlying security price. † Long dated expiry months

UK COMPANY NEWS

Four of the major, and often at odds, players in the Guinness Peat Group break-up drama: Lord Kissin (left), Robert Maxwell, Sir Ron Brierley, and Alastair Morton (right)

The selling of the rind of the rump of the jinx

David Lascelles on the final break-up of the Guinness Peat Group with Ron Brierley's offer for GPG

WHEN SIR Ron Brierley's IEP announced its offer for Guinness Peat Group yesterday, the City of London was treated to the rare sight of a target company's shares actually falling on news of a bid.

The shares shed 4p to 19p, below their nominal value of 25p.

It was a fitting anti-climax to one of the sorrier and more enduring tales of woe in the UK financial sector.

But though this prompted many people to dismiss GPG as a "jinxed company" best abandoned to its fate, the saga has stirred issues about shareholders' rights.

GPG is all that remains of the Guinness Peat Group which, in the early 1980s, had ambitions to become a widely diversified financial services company with interests spanning the Atlantic.

Under its former chief executive, Mr Alastair Morton, since become co-chairman of Eurotunnel, it included merchant banking, stockbroking, fund management, insurance, property and consulting services, and even launched a cheeky bid for Britannia Arrow, one of the UK's largest unit trust groups.

But GPG was constantly racked by internal strife, mainly because of incompatibility between the abrasive Mr Morton, and the dogged Lord Kissin, the company's founder who still owned a sizeable stake.

The jinx tightened its grip in 1987 when Equiticorp, the fast-moving New Zealand conglomerate led by Mr Alan Hawkins made a successful bid for 61 per cent of GPG, prompting the departure of Mr Morton, and the entry of Mr Robert Maxwell, the publisher, with a 15 per cent shareholding.

Equiticorp proceeded to split GPG in two by hiving off Guinness Mahon, its merchant banking arm. But any further plans Equiticorp may have had were brought to an abrupt halt in early 1988 when it was overwhelmed by its own problems and forced into voluntary liquidation, amid allegations that it had tried to prop up GPG's share price by buying stock through a subsidiary.

Equiticorp's 61 per cent stake in GPG and Guinness Mahon passed into the hands of its bank creditors who were owed £100m, and set about trying to sell the stake to recoup their losses. The Guinness Mahon interest proved relatively easy to dispose of: it was bought last summer for £95m by Bank of Yokohama.

However, the remaining rump of GPG was more problematic.

It consisted of Fenchurch, the insurance brokers; Forstmann-Leff, a US fund management firm; GM Capital Corporation, a US property company; the Oregon-based Management Compensation Group; and Eagle Management and Trust, based in Houston. There was also a 14 per cent interest in Guinness Peat Aviation, the Irish aircraft leasing concern.

Though individually many of these companies were highly successful, they did not, as a whole, make an attractive selling proposition, so a break-up was proposed.

At the end of 1988, the Guinness Peat Aviation stake was sold. Last September, plans were put to shareholders for management buy-backs by three companies – Fenchurch, Forstmann-Leff and GMCC.

The terms were a matter of much controversy: in the case of Forstmann-Leff, for example, the proposed buy-back price was $25m plus some deferred payment compared to the price of $91m which GPG had paid for it only three years earlier.

Small shareholders mounted a revolt, but the plans were voted through, mainly because the bank creditors, with 61 per cent, were keen to get GPG into a more saleable shape. Furthermore, the managements of the subsidiaries were in a strong position because they were entitled to sever their contracts and claim large compensation if they did not get their way.

"The prices were insane", was the comment yesterday from a merchant banker who had been close to the negotiations.

But the sales have now enabled GPG to attract a buyer for what is left – two operations in the US and a $141m cash pile from the divestments – so in that sense they achieved their purpose.

However because GPG was never more than a residue of a company in a state of constant upheaval, with its affairs dominated by bank creditors, it was never clear who was actually looking after the shareholders' interests.

Uncharacteristically, the quiescent shareholders included Mr Maxwell who appears to have been advised that this was one skirmish he could wisely avoid. But it was a costly experience. GPG's shares, which hit a high of 91p in 1987 with the Equiticorp bid, and traded at 50p after the split, hit a low of 15p late last year before recovering to 23p on recent rumours of a deal.

Ironically, the non-banking shareholders may now decide that it is in their best interests to hold on to their shares.

The bid price of 17p is barely above GPG's net asset value of 14.3p per share, and a re-invigorated management may be able to redeploy the cash pile to better advantage. But it will now be up to Sir Ron to prove that he can lay the GPG jinx to rest once and for all.

Buildings and equipment costs hold Domino to £4.71m

By Clare Pearson

COSTS OF new buildings and equipment resulted in Domino Printing Sciences, the ink jet printing specialist, reporting pre-tax profits £404,000 lower at £4.71m in the year to October 29.

This was after interest payable of £259,000, against last time's receivable figure of £257,000. In addition, some £340,000 of interest charges were capitalised.

Domino spent some £7.5m on facilities during the year, moving to a single site from five locations in Cambridge. It also commenced a redundancy programme which gave rise to an £83,000 exceptional debit.

There was a £1.15m extraordinary gain relating to the sale of the old main plant. More recent sales of buildings are expected to reduce borrowings sharply from the year-end level of £8.2m.

Turnover rose to £37.98m (£32.83m). Operating profits were marginally ahead at £4.97m (£4.86m).

Gross profit of £16.31m (£15.08m) showed some growth after absorbing a 44 per cent increase in technical service support costs and a 30 per cent rise in research and development.

The US operation continued its recovery, the company said. By geographical area, sales were split £7.72m (£6.3m) for the UK, £14.79m (£12.98m) for the rest of Europe, £10.94m (£9.56m) for the US and Canada, and £3.67m (£2.57m) for the rest of the world. A discontinued business in mailroom equipment accounted for the balance.

Earnings per share were 17.23p (17.95p). The final dividend is increased to 2.5p, making 4p (3.6p) for the year.

After alerting followers to growing competition from other players in its marketplace at the half-way stage, Domino said yesterday that sales had been better in the second half and there had been little impact on margins related to pricing pressures.

It reported that sales in the first quarter of the current year were showing 20 per cent growth on last year.

FMS Partners, the Cambridge-based investment concern formed last year and backed by AP Moller, the Danish industrial company, now holds 18.8 per cent of Domino's shares. Mr Neil Faulkner of FMS, the former chairman of Lazard Bank's development capital arm, joined the board in November.

● COMMENT

Having been scared by stories of growing competition at the interim stage, Domino followers yesterday allowed themselves a few sighs of relief when the company said neither sales volumes nor margins were yet feeling the squeeze. Nevertheless, Domino remains virtually a single-product concern operating in a market which is attracting quantities of new entrants and there's more than a chance competition will eventually bite. The City, in any case, views Domino with caution, having lived through a number of false dawns in the past. FMS Partners, of course, voted with its wallet last summer – since then the shares have fallen from about 250p to yesterday's close of 163p, so it is a good thing the investment company views itself as a long-term holder. Current-year forecasts are somewhat tentative but Domino might make about £5.2m, putting the shares on a prospective p/e of just below 9. The rating is not demanding; nor is it likely to become so.

FII-Fyffes rises 31% to I£25m

By John Thornhill

FII-Fyffes, the Dublin-based fresh fruit distributor, yesterday reported a 31 per cent increase in pre-tax profits for 1989.

Taxable profits rose from I£19.07m to I£25.02m (£23.48m) on turnover 41 per cent ahead at I£412.96m (I£293.03m).

FII-Fyffes, Ireland's fifth largest public company, reported satisfactory trading in the year with the greater part of business coming from overseas. The company said it remained confident about its long-term prospects and forecast that it would make several acquisitions in the near future.

Fully diluted earnings per share grew by 21 per cent to 6.21p (5.13p). The board has recommended a final dividend of 0.6747p making a total of 0.948p, an increase of 10 per cent.

During the year FII-Fyffes spent I£35m on capital expenditure and I£22m on acquisitions. Shareholders' funds at the year end were I£101m (I£90m).

Pan Andean to start trading on Monday

By Andrew Bolger

SHARES IN Pan Andean Resources, a non-quoted company engaged in metals exploration in Bolivia, will start trading in London on Monday on a matched bargain basis under Stock Exchange rule 535.2.

Formed in 1988, Pan Andean has cash resources of £700,000. Its 23m shares are held by private investors, 320 in Britain and 50 in Ireland. The company is involved in a joint venture with Comibol, the Bolivian state mining enterprise, to study the feasibility of recovering silver and tin from tailings, the waste from old mines.

Shares in Pan Andean will be traded at 7-9p by Winterfield Securities.

In October, Pan Andean announced a conditional agreement to merge with Feltrim Mining, a Dublin-based Third Market exploration group run by Mr Conor Haughey, son of the Irish Prime Minister. The companies later decided not to proceed with the merger.

Feltrim, which was launched in 1988, had its shares suspended in July after two businessmen, Mr James Fitzsimons and Mr Derek Kelly, took a 25 per cent stake. A spokesman for Feltrim said Mr Fitzsimons and Mr Kelly had intended to reverse their private company into Feltrim to turn it into a leisure vehicle.

The shares were suspended at 45p, up from a low of 23p in June. Feltrim, which was valued at £1.12m at its suspension price, holds 22 prospecting licences in Ireland with the emphasis on gold. The company said it was in talks to find a new partner.

NEWS DIGEST

37% rise at Thomas French

IN AN active year which included six acquisitions, Thomas French lifted pre-tax profit by 37 per cent, from £1.49m to £2.04m.

In the year to September 30 1989, turnover fell to £21.18m (£23.92m). Earnings worked through at 11.48p (6.42p) and the final dividend is 2.175p for a total of 3.625p (3.02p).

In recent years French has undergone a radical change, reflecting its strategy to make decorative accessory products for the home.

Likewise, concentration has been on the main area of operation in the UK, reducing international operations by selling Australian and South African subsidiaries.

The six businesses acquired moved the group into glass decoration, bathroom accessories, mirrors, hearth accessories, planters and polyester/silk plants.

NAV at Drayton Far Eastern up 58%

Drayton Far Eastern Trust achieved a net asset value of 574.75p at December 31, an increase of 58 per cent over the 363.5p at the previous year-end.

Net revenue for 1989 totalled £708,000 (£697,000) after tax of £547,000 (£407,000). Franked investment income slipped to £103,000 (£116,000), while unfranked income from dividends grew to £1.63m (£946,000) and from interest was up to £95,000 (£68,000).

Expenses and interest rose to £862,000 (£452,000) and earnings slid from 3.12p to 2.57p. The final dividend is lifted to 1.8p (1.7p) for an annual total of 2.8p (2.1p).

Interest hits Harvey & Thompson

Higher interest charges hit pre-tax profits of Harvey & Thompson, restricting growth from £1m to £1.19m in the half year to December 30.

Operating income of this pawnbroking and financing groupadvanced from £3.55m to £6.59m, while pre-interest outcome doubled to £2.81m. Earnings were 17.96p (15p) and the interim dividend is raised 1p to 5p.

Mr Rupert Galliers-Pratt, chairman, said interest charges rose from £397,000 to £1.62m, reflecting the rise in UK rates and the acquisition last May of 70 per cent of Gauntlet Finance, which meant consolidating a higher level of borrowing.

Gauntlet was making good progress, but in line with the stated intention of reducing the holding when a certain level of profitability had been obtained, the whole or part of the interest would be sold by the financial year-end.

Mr Galliers-Pratt said all other divisions continued their good progress. Harvey & Thompson Trade Finance exceeded its budget and the Lewis Group again increased market share.

The hire purchase and leasing joint venture was on target for an increased contribution, and the expansion in pawnbroking continued with the opening of two more branches.

Meggitt sells two offshoots for £2m

Meggitt, the specialist engineering group, has disposed of Bestobell Distribution and Radalec.

Bestobell, which distributes industrial and engineering products, has been sold for £1.7m to Freeman Group, the building industry supplier and contractor.

Radalec, which sub-contracts to the engineering industry, has been acquired for £280,000 by Acourt, a privately-owned engineering company.

Meggitt said the disposals, at close to asset value, would enable the management of Meggitt's energy division to concentrate on its main activities.

Rentokil expands further in US

Rentokil has further expanded its international tropical plant hire activities through its second US acquisition in less than two months.

The business of Botanicus Interior Landscaping of Kansas City has been added to Branching Out of Houston, Texas, acquired six weeks ago for $1m. Together with Tropical Plants, acquired in October 1988, this brings Rentokil's investment so far to more than $40m.

Further acquisitions are planned this year to secure dominance of the US market. Rentokil sold its US timber business for $5.8m in October and the proceeds are earmarked for US purchases.

Turnover of Botanicus is put at $400,000 and Rentokil said that the cost of the acquisition was less than 1 per cent of net tangible assets.

The UK group, best known for its pest control business, also claims market dominance in plant rentals at home and in Australia, Austria, the Netherlands, Belgium and New Zealand.

24% take-up in Wharfedale rights

Wharfedale, the loudspeaker company whose management last month took control of Audio Fidelity, the consumer electronics group, announced that 23.84 per cent of its rights issue had been taken up by existing shareholders.

The issue has been fully underwritten by York Trust, the USM-quoted financial services company, which, together with Wharfedale's management, will now end up with control of about 70 per cent of the enlarged share capital.

Mountleigh chiefs switch holdings

Mr Nelson Peltz and Mr Peter May, the US entrepeneurs who took effective control of Mountleigh, the property group, when they acquired 22.5 per cent of the ordinary shares, have switched their holdings into companies which they individually own, respectively NPII and PWMI.

Mr Peltz remains interested in 15 per cent of the Mountleigh ordinary capital and Mr May in 7.5 per cent. They also retain holdings of convertible preference shares – 3.8 per cent in the case of Mr Peltz and 1.9 per cent in the case of Mr May.

Churchbury Estates advances to £3.8m

Taxable profits of Churchbury Estates, a wholly-owned subsidiary of Greycoat, the property investor and developer, rose from £2.67m to £3.8m for the six months ended September 30 1989.

Gross rental income totalled £4.86m (£3.33m) and earnings amounted to 26.23p (15.65p).

UPL declines to losses of £330,000

UPL Group, an importer, distributor and manufacturer of food products, swung from profits of £158,000 to losses of £330,000 pre-tax for the six months to end-July 1989.

Loss per 10p share emerged at 6.55p (earnings 2.71p) and the interim dividend is omitted – shareholders received 1p previously.

Turnover declined to £6.69m (£7.21m). The directors said this was due to a number of factors including a company closure and, to some extent, the lysteria scare in late spring which affected sales of pâtés and related products.

Losses were expected to continue in the second six months. For the 1988-89 year as a whole the Third Market company experienced a fall in pre-tax profits from £404,000 to £332,000.

PUBLIC WORKS LOAN BOARD RATES

Effective January 31

Years	Quota loans repaid by EIP†	Quota loans repaid At††	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid At††	Non-quota loans A* repaid at maturity§
1			14¼			15
Over 1 up to 2	14	13⅞	13⅛	15	14⅞	13⅞
Over 2 up to 3	13⅜	13¼	12½	14⅜	14¼	13¼
Over 3 up to 4	12⅞	12¾	12⅛	13⅞	13¾	12⅞
Over 4 up to 5	12½	12½	12	13½	13⅜	12¾
Over 5 up to 6	12⅜	12¼	11⅞	12⅞	12¾	12⅜
Over 6 up to 7	12¼	12⅛	11¾	12¾	12⅝	12¼
Over 7 up to 8	12⅛	12	11⅝	12⅝	12½	12⅛
Over 8 up to 9	12	11⅞	11⅝	12½	12⅜	11⅞
Over 9 up to 10	11⅞	11⅞	11¼	12⅜	12⅜	11¾
Over 10 up to 15	11⅝	11¼	10¾	12⅛	11¾	11¼
Over 15 up to 25	11	10⅝	10½	11½	11⅛	11
Over 25	10⅝	10⅜	10⅜	11⅛	10⅞	10⅞

*Non-quota loans B are 1 per cent higher in each case than non-quota loans A. †Equal instalments of principal. †† Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

COMPANY NEWS IN BRIEF

AAH HOLDINGS has acquired RWF Wilson and Company (Inverness), a pharmacy. The purchase price of £365,000 will be satisfied by the issue of 87,488 ordinary shares, with a cash balance payable, subject to commpletion accounts.

BOSTROM has bought Bostrom Seating Systems, a division of Swift and Company. The price depends on the book value of assets acquired and liabilities assumed at completion. The total is expected to be about £320,000 cash.

BRITISH FITTINGS has acquired Bownard (Fareham) for £300,000. Consideration to be satisfied by the issue of 139,024 new ordinary shares, plus £15,000 in cash from the group's own resources. The associated property of Bownard is also being acquired for £175,000.

COURTYARD LEISURE: Turnover £495,125 (£829,876) and pre-tax profits £10,568 (£94,478) for the six months to September 30. Tax £6,424 (£20,538) and earnings 0.16p (2.2p).

EDWARDIAN HOTELS is to purchase The Marlborough Hotel from Bass. Completion is expected by the end of February.

HARDING GROUP has paid £67,000 cash for Shipley Electrical Distributors, based in Bradford and currently in receivership. Shipley has a turnover of some £1m.

HOLDERS TECHNOLOGY has bought the electronics division of Dutch company Heesen-ICA. The purchase price of £125,000 will be satisfied by the issue of 119,048 ordinary shares.

MISKIN GROUP has acquired Niramba Roofing and Insulation, following an agreement with G Browne and D Haddon (Financial Services) for a total of £347,000. Consideration will be £182,000 cash and the allotment of ordinary shares to a value of £135,000. A deferred consideration of up to £30,000 in shares is profit-related.

Shares fall by 28p as defence sector grows increasingly jittery

FR Group warns of £3m shortfall

By David Owen

THE DEFENCE sector was yesterday hit by more adverse news when FR Group, which makes specialised equipment for aircraft and the electronics and energy industries, revealed that profits for the year to December 31 1989 would be significantly lower than previously forecast.

The company's shares fell sharply on the news, closing 28p down at 194p.

The Dorset-based group said that its profits were "likely to approximate to those of 1988", when a pre-tax figure of £22.4m was recorded.

The shortfall amounts to some £3m based on previous city projections of up to £25.5m.

The company blamed the downturn on revised completion cost estimates on major development projects and delivery difficulties.

FR's problems come in the wake of the alleged serious fraud at Ferranti and amid fears of general cut backs in military spending which have generated concern about the industry's prospects.

The announcement raises the spectre of a second consecutive year of essentially flat profits growth after the 20 per cent- plus rate of progress achieved earlier in the decade.

For the six months to June 30, FR reported a 24 per cent advance in pre-tax profits to £11.9m on turnover ahead 13 per cent to £73.4m.

Both of the problems revealed yesterday relate to FR's Flight Refuelling division, the group's largest unit accounting for about one-third of turnover.

The reassessed development project believed to account for about £2m of the profits shortfall is the Phoenix remotely piloted air vehicle, which is produced under sub-contract to GEC Marconi.

The company said it did not expect the revisions to affect GEC. Completion is planned for mid-1990.

The delivery shortfalls related to aerospace fuel systems components and multi-role towed targets – the latter under production for the Ministry of Defence. These are thought to have reduced anticipated profits by about £1m.

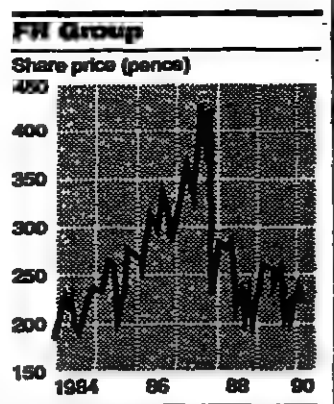
In the case of the components, delays were caused by factors outside the company's control. The majority of the deliveries in question have now been made.

In spite of yesterday's setback, FR remains optimistic on longer-term prospects, regarding this latest setback as "a disappointment not a catastrophe".

The group leavened the gloom by announcing that it has won a £40m-plus contract from British Aerospace to refurbish and convert 13 RAF VC10s.

The award arises from BAe winning a £100m-plus MoD contract to convert VC10 and Super VC-10 aircraft into flight refuelling tankers for the RAF.

The work is to be executed by Flight Refuelling at Wimborne and FR Aviation at Bournemouth International Airport. The value of the contract will extend over four years.



Time to march into Soviet joint venture

By John Thornhill

THE MARCH of time in the Soviet Union has led to the formation of a joint venture between a Soviet trade ministry and a UK company to develop the country's watch industry.

Time Products, the London-based watch distribution group, announced yesterday that it had formed a joint venture to develop six watch manufacturers, controlled by MGO Chasprom, the Soviet trade ministry responsible for technological products. Chasprom employs about 100,000 people and produces 70m watches a year.

Time will supply and instal new machinery in Chasprom's factories and will provide technical, design and marketing expertise. The initial investment will be in the low millions of pounds and will be gradually increased depending on the success of the operation.

Time believes there is great demand for Western-style watches in the Comecon countries and in other international markets.

"The risk is very limited; the reward is enormous," said Mr Marcus Margulies, Time's managing director.

The two parties will each own half of the joint venture and Time will be able to receive profits in hard currency through selling watches in international markets.

Mr Margulies said Time had first started buying watches from the Soviet Union 27 years ago and was familiar with doing business there. It currently buys 1.5m Soviet watches a year and sells them under the Sekonda brand name.

The joint venture agreement was signed earlier this week in Moscow by Mr Margulies and Mr Noel Lakoyanov, director general of Chasprom. Time will place the first orders for new plant in the next few months.

Budgens parts ways with its managing director

By Maggie Urry

MR TONY BIRCH, managing director of Budgens, the food retail group, resigned on Wednesday, it was announced yesterday.

The group's shares were unchanged at 101p on the news.

Mr John Fletcher, chairman and chief executive, said that Mr Birch had in effect left some weeks ago and the parting was 'mutual.' Mr Birch would receive some compensation – but it would not be large.

Mr Birch joined the group in 1986 when the then Barker & Dobson, a sweets manufacturer, took over the chain. He had previously worked at Asda, the food retailer, where Mr Fletcher had also worked.

Last April Budgens agreed to a £134m bid from William Low, the Scottish supermarket group. But Low called the bid off in May over differences about the financing of the combined group. It is thought that after this Mr Birch lost heart. He is likely to receive less than £50,000 in compensation.

Mr Fletcher, who would have left if the Low bid had gone through, says that he is fully committed to running Budgens. With the arrival of Mr Derek Pretty as finance director in December and the sale of the remaining manufacturing interests in November, Mr Fletcher said he could concentrate on running Budgens and Mr Birch might not be replaced for a while.

Budgens plans to sell 50 of its 145 shops which are considered too small for its trading format, which ideally requires shops of between 10,000 and 11,000 sq ft. It then wants to expand to 250 or 300 stores in its existing catchment area. A new distribution centre is being opened in the summer.

Warburg to help strengthen Walker Greenbank defences

By Andrew Hill

WALKER GREENBANK has appointed SG Warburg as its merchant bank adviser, apparently to help strengthen its defences against a possible hostile bid.

The bank is already using section 212 of the Companies Act to force the Jersey-based nominee company Aubin and its associates to reveal the beneficial owners of their 13.5 per cent stake in Walker. The holding has been built up over the past three months and was increased again two weeks ago.

Walker was forced to cut short its conglomerate ambitions in 1988 after Alkar, its supermarket shalving subsidiary, incurred a £6.9m loss. It is now concentrating on its contract wallcoverings business.

Its shares reached a peak of 128p in the summer of 1988, but since then have slumped to as low as 39p. At yesterday's unchanged closing price of 59p, Walker is worth about £54m.

The group, which would not comment on the reasons for changing its adviser, has used three merchant banks in the last year – Robert Fleming, Lloyds, and now Warburg, which has a particularly strong reputation for corporate finance.

Walker also announced yesterday that it had sold Van-Line, a wholesaler of engineering and automotive workshop supplies, for £2.1m cash, including the repayment of £500,000 of internal loans. The buyer was Britannia, a management buy-out vehicle for British Syphon Industries, the merchanting and manufacturing group.

Walker said the disposal, which also removed Van-Line's external debt of £150,000, would reduce its overall bank borrowings by about £2.25m.

Since September, Walker has raised some £23m from disposals and reduced borrowings from 74 per cent of shareholders' funds a year ago to less than 5 per cent. It is planning further disposals.

Mr Nicholas Brown, chairman, said yesterday that Alkar, which had changed its name to Montan, should break even in 1990-91, but that its future within the group was still under review. Walker was retaining its healthcare and signs business.

In the 13 months to January 28 1989, Van-Line made pre-tax profits of £254,000 and had net assets of £746,000.

Next sets up European credit information joint venture

By John Thornhill

NEXT, the fashion retailer and mail order company, has set up a joint venture with a US company to provide a range of information services throughout Europe.

The US partner is the Atlanta-based Equifax, a big supplier of information for consumer financial transactions in North America.

The venture, to be called Wescot Decision Systems, will provide consumer credit reporting, credit scoring and modelling, and marketing and insurance information services, and will incorporate Next's existing interests in this field.

Wescot currently has a database covering 25m households and 44m consumers.

The managing director of the new venture will be Mr Joe E Dawson, a senior vice-president of Equifax.

Equifax has paid Next £6.5m and a further sum of up to £6.8m may become payable depending on the venture's profit performance.

Mr David Jones, Next's chief executive, said the company's database marketing operations would be greatly enhanced as a result of the partnership and the added marketing input would enable it to grow through the 1990s.

Sheffield Insulations expands product range with £5.9m buy

By David Owen

SHEFFIELD Insulations Group, the specialist distributor of thermal insulations and other fire protection products, is broadening its product range with the purchase of Ceilings Distribution (Leeds) for £5.85m.

The acquisition is SIG's largest since it went public last May via a placing of 6.1m shares. CDL markets and distributes ceiling tiles, partitioning, grid systems and related fixtures from three depots in the north of England.

According to Mr Frank Prust, SIG finance director, the acquired business will complement the group's existing activities.

"In many cases we have the same suppliers and customers," Mr Prust said.

On completion, SIG will pay the vendors £1.85m of CDL dividends for the year to August 31. This will be funded out of cash.

The remaining £4m will be met by the issue of 3.17m ordinary shares – representing 13.29 per cent of the enlarged capital – at 126p.

Panmure Gordon has conditionally placed the stock, principally with institutional investors.

Shareholders have the option to clawback on the basis of one-for-6.5 shares held.

In the year to August 31 1989, CDL made pre-tax profits of £1.32m on turnover of £10.14m. At that time, it employed 44 people.

SIG lifted pre-tax profits by 41 per cent to £2.26m on sales of £52.95m during the six months to June 30.

Since then the group has continued to perform well with turnover for the full year increasing by more than 6.5 per cent.

Bristol Ship improvement

Bristol Channel Ship Repairers, in which CH Bailey has a major shareholding reduced losses before tax from £30,901 to £15,657 over the 28 weeks to October 13 1989.

Turnover rose from a depressed £41,713 to £645,264.

The directors said they expected the rise in turnover to continue and anticipated that the results for the second half would show a further improvement.

Murray Intl buys Edinburgh hotel for £9m

By James Buxton

The Roxburghe Hotel in Edinburgh is to be sold to Murray International Holdings, the private group controlled by Mr David Murray, for £9m.

The Roxburghe, a four star 75-bedroom hotel in Charlotte Square, belongs to a private company named Roxburghe Hotel. Its directors – who approached Murray International– have recommended the offer and irrevocable acceptances have been received for 82 per cent of the equity.

Murray International expects sales this year of £110m and profits of £6m. Having started in steel stockholding it has been built over the past 15 years up by Mr Murray and is now engaged in property development and manufacturing. In 1988 it bought the Rangers football club in Glasgow.

Roxburghe's shareholders are the descendants of a group of Scottish businessmen who formed a consortium to build the hotel in 1910. The sale is taking place following the deaths of a number of leading shareholders.

Investment policy change and new name at SCIT

By Andrew Bolger

THE OWNER of the Smaller Companies International Trust has proposed that the investment trust should dispose of its investment portfolio, change its name and reinvest in German shares.

Last April SCIT was bought by a subsidiary of the British Steel Pension Fund, which now owns 83.5 per cent of its ordinary shares and 97.5 per cent of the preference shares.

Under the BSPF proposal, SCIT's existing board would resign and Foreign and Colonial Management would be appointed investment manager. The company's name would be changed to the F and C Germany Investment Trust.

Some 78 per cent of the ordinary shares of the new trust will be placed with institutional investors, including the Foreign and Colonial Investment Trust and Bayerische Hypotheken-und Wechsel-Bank, or Hypo Bank, the fifth largest bank in West Germany, which last year took a 50 per cent stake in F and C Management.

BSPF said it had considered putting SCIT into liquidation but this plan would give shareholders an opportunity to participate in the new trust or realise their investment for cash at a price equivalent to 98.5 per cent of SCIT's formula asset value.

This value would be calculated on the day the proposals were approved at an egm of SCIT, but as of January 26 the cash facility for each ordinary share would have been 140p. Holders of preference shares will be offered 100p per share.

It is also proposed to make a free issue of one warrant for every five ordinary shares held on a record falling shortly after SCIT's formula asset value is determined. Each would convey the right to subscribe for one ordinary share and would be exercisable, on a single date in each of the years 1991 to 2000, at 100 per cent of SCIT's formula asset value.

F and C said the principal objective of the new trust would be to invest in large, well-capitalised, quoted companies in West Germany.

Interset buy hits results at West Industries

The acquisition of a further 47.5 per cent interest in Interset left profits at West Industries 53 per cent lower at £80,000 pre-tax, against £183,000.

The Interset business is seasonal, with all profits being earned in the second half.

The result came in spite of a number of acquisitions, particularly in the materials testing division, which helped turnover increase from £7.77m to £11.67m.

Mr Mel Morris, chairman, added that the expansion into leisure had been slower than expected and group costs had been higher than expected. However, the construction businesses continued to perform well, coping well with the change of emphasis away from housebuilding.

Earnings per share were 0.14p (0.89p). The interim dividend has been passed because of the changes being undergone by the group.

Delays in technical changes blamed for decline at Aerospace Engineering

By Andrew Bolger

AEROSPACE Engineering, the precision engineer, yesterday blamed delays in the introduction of technical changes by aero-engine manufacturers for a drop in pre-tax profits from £1.32m to £1.1m in the six months to October 31.

Mr Quinton Hazell, chairman, said: "These delays, leading to the late placement of tooling orders, have regrettably affected the results as predicted. Our high level of firm orders in this sector, following the dip, augurs well for a strengthening of performance from now on."

Aerospace said that the strike in the engineering industry for a shorter working week had affected some of its major customers and that, coupled with the delays in engine tooling, would curtail an enhanced performance at the year end.

Mr Hazell said: "All other operations within the company have performed encouragingly and to budget during the half year, with excellent prospects for growth in 1990-91 emerging on a progressive basis."

Turnover increased from £10.2m to £13.3m, but earnings per share fell by 27 per cent to 2.15p (2.95p) and the interim dividend is lifted to 1.56p (1.41p).

Aerospace said its £1.6m acquisition in November of Wynn Electronics, a maker of printed circuit boards, was an important step in the expansion of its electronics division.

Jameel has 22.4% of Hartwell

Jameel Group, the Saudi Arabian company, has received acceptances for 18.4 per cent of Hartwell's ordinary shares and 0.2 per cent of its convertible preference shares at the first close of its £151.8m offer for the Oxford-based motor group.

However, 18 per cent of the acceptances for ordinary shares came from persons acting in concert with the Jameel Group, meaning that only 0.4 per cent of the acceptances came from other shareholders.

Together with the shares it already owns, Jameel now speaks for 22.4 per cent of Hartwell's ordinary shares and 37.9 per cent of the preference shares.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corres - ponding dividend	Total for year	Total last year
Aerospace Eng ......int	1.56	-	1.416*	-	2.686*
Domino Printing ......fin	2.5	Apr 9	2.1	4	3.6
Drayton Far East......fin	1.8	Apr 5	1.7	2.3	2.1
Fil-Fyffes ....fin	0.675†	-	0.919	0.945	1.283
French (Thomas) ......fin	2.175	Mar 16	1.813	3.625	3.02
Harvey Thompson ...int	5	Apr 6	4	-	15
West Inds ....int	nil	-	0.25	-	1

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. §USM stock. §§Unquoted stock. ¶Third market.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetables.

TODAY

Interims- Welsh Industrial Inv Trust, Wholesale Fittings.

Finals- Buckingham International, Kleen-E-Ze.

FUTURE DATES

Interims-

Budgens	Feb. 8
Triton Europe	Feb. 12

Finals-

Temple Bar Inv Trust	Feb. 13
Tribune Inv Trust	Feb. 15
UTC	Feb. 5

Sale of Lexterten for £1 hits Era shares

By Andrew Hill

ERA GROUP'S shares fell 14 per cent yesterday after the specialist retailer revealed that it had sold Lexterten, its loss-making retailer of reproduction furniture, for a nominal sum of £1 and would not be able to pay a final dividend for 1989.

Lexterten, which dragged the company into the red in the first half of last year, will be bought by Intercede 751, a company formed by some of the subsidiary's management.

But the parent group has to write off about £5m against reserves – representing the £2.8m original purchase price of the subsidiary, and some £2m of trading losses.

Mr Murray Gordon, the group's chairman, described it as a purely technical matter, but the shares fell 6p to 37p. He said Era would not have to raise new capital to make up distributable reserves, which would be restored by normal trading in 1990.

Lexterten's new owners will take on a bank overdraft of some £2.5m. Era itself will repay £90,000 outstanding on a bank loan, and will make up any shortfall if net assets turn out to be worth less than £1.105m on completion of the deal.

The parent company is also subscribing £1.5m for preference shares in the buy-out vehicle, which will carry a fixed dividend of 5 per cent a year starting in 1995, and can be converted into 10 per cent of Intercede before the end of the century.

Lexterten lost £882,000 in 1988 and a further £598,000 before tax in the first half of last year.

It has been up for sale for about seven months, but Mr Gordon denied that the group was paying management to take the subsidiary off Era's hands. "In a sense we are backing them, because we have got a part of the equity," he explained.

He said he was confident about the ability of the remaining subsidiaries to survive the retailing downturn. They include a camera equipment retailer, a distributor and a retailer of games and hobbies, and a distributor of furniture accessories.

Sportsfield sales decline to I£73,000

Sportsfield Equipment has announced its results for the six months to September 30.

Sales fell from I£113,711 to I£73,023 (£88,245), while gross profit came out at I£23,078 (I£30,914).

Expenses totalled I£103,731 (I£148,947).

The company is traded on the Third Market and dealings in the shares have been suspended as the board is involved in restructuring talks.

To that end an extraordinary general meeting is planned.

Oceana Consolidated

Oceana Consolidated reported pre-tax profits of £62,401 against a loss of £214,894 after exceptional debit of nil (£250,000.)

Total revenue for period was £3.4m (£309,307).

Tax took £18,500 (credit £72,213) and minorities came to £309 (£563), making earnings per share of 0.59p (loss 2.15p).

TECHNOLOGY

Della Bradshaw reports on pressure to bring banks into the electronic ordering and payment cycle

The missing link in an invisible chain of cash

There was a time when ordering equipment from a supplier could only be done by typing out an order form, sealing it in an envelope and trusting it to the postal system.

But over the past 10 years these procedures have been ousted in many corporations by electronic trading: order forms and invoices whizz backwards and forwards over phone lines between companies' computers.

However, these electronic data interchange (EDI) services omit one important element. While the "paperwork" takes just seconds to zip around the country – even around the world – paying the resulting bills is still a question of chequebook, pen and the postal system.

Concerned at this weakness in the chain, companies are putting pressure on banks to introduce electronic payment services.

Although this would mean cash being taken from companies' accounts more quickly, they seem to be convinced of its advantages, according to a Midland Bank survey of 3,050 corporate customers. The respondents identified cheaper processing of payments, better cash management and closer links with trading partners as potential bonuses.

But bringing payment into the electronic cycle poses an enormous challenge for the banks. "Many are sitting on their hands not knowing how or where to move," says Jerrold Donington, principal consultant at Langton, the EDI consultancy. "There are major commercial risks in going in at the wrong time and in the wrong way. If they get it right, by the end of the current decade commercial banking will be based on electronic networks."

Ostensibly, the task appears relatively easy. The banks have vast experience of transferring financial information electronically. There is the bankers' automated clearing service (Bacs), operated by Britain's clearing banks; and Swift (society for worldwide inter-bank financial telecommunications), which transmits data internationally.

But with EDI it is not just a question of money: electronic documentation has to accompany the payments. When a sum is paid into a corporate bank account, the corporate finance department needs a remittance advice in order to balance the books.

The documentation problem is central, says Peter Garlick, manager for banking at the Peugeot Talbot Motor Company (PTMC), in Coventry. Many banks, he says, are dubious about taking on the extra burden.

PTMC is conducting a trial in bringing payments into the EDI cycle with one of its suppliers, Rists, part of the Lucas group, and Barclays Bank. As the money is lodged in Rists' bank account when payments are made by PTMC via Barclays Bank, the remittance advice is sent on electronically to Rists.

But proving that electronic payment can be done on this scale is of little comfort to the big banks. The trial is inevitably too small to emulate the labyrinthine network of banking mainframes needed for a national payment service.

And in any widespread commercial implementation the payment would usually have to take an extra interbank hop, as the odds are stacked against the supplier and customer using the same bank.

For the banks, there are two network problems: how to transfer the information between themselves, and how to get it in and out of the banking network.

In the first case, various solutions are being considered, says Bernie Hunt, head of EDI services for the card and electronic products division at Midland Bank and chairwoman of the banking interest section of the UK's EDI Association.

- The Bacs network could be used for the payment, with the accompanying documentation taking a different electronic route.
- A completely separate data network could be set up to handle the payments and the "paperwork."
- Bacs could be extended to handle the documentation as well as the payments.

In the second case, many are waiting for international standards for payment documentation to be agreed. (The first stage should be completed next month.)

Banks in the UK are likely to take the EDI plunge before their European and US counterparts, says Gary Gershon, senior manager for high technology at KPMG Peat Marwick, in New York.

Midland Bank already has its own third party network, while National Westminster Bank has opted to do a deal with International Network Services (INS). Under the deal, which NatWest plans to extend to involve other network suppliers – such as IBM or Istel – corporate customers will be able to pay their bills electronically from the autumn.

NatWest's plan is for payment information emanating from the corporate customer to travel over a direct telephone link or a third party network to the NatWest computer system. The payment will then be made into the beneficiary's account using the Bacs network in the UK and Swift for international payments. The accompanying remittance advice will be stripped out and sent to the beneficiary's computer system over the third party network.

"We see it as more than just a payment system," says Jerry Whitmarsh, senior manager of strategy and research in the automated business services division. "We're doing more than sending cash from A to B. We're trying to solve a particular business problem."

In the PTMC trial the telephone lines between the three parties use the public packet switched data network. But would this, or traditional third party networks, be secure against misappropriation of funds or "spying" by competitors?

Banks are considering encryption to solve this problem.

But the issue of responsibility for the data remains. If a fault creeps into the transaction when it is travelling across a third party network and through more than one banking computer, who should accept liability? As Hunt puts it: "Is the FT prepared to take responsibility for an article in The Independent?"

Small company nightmare follows paperless format

Electronic data interchange (EDI) has been heralded as the only way to send business "paperwork" in the 1990s. But for many a smaller company, the thought of it is nothing short of a nightmare.

The push for the introduction of EDI inevitably comes from the big trading companies, which are equipped to put in large computer systems, often developed in their own data processing departments. For them the financial benefits are manifold. For instance, because ordering is almost instantaneous, they can order later in the production or retail cycle and so reduce stock. Manufacturers can also tie in their parts or product ordering with just-in-time manufacturing techniques.

The increased accuracy which results when direct electronic data transfer replaces the re-keying of information also benefits the purchaser rather than the supplier, says Gary Gershon, senior manager for high technology at KPMG Peat Marwick, in New York.

"The cost of any inaccuracy falls more heavily on the purchaser, because it results in them not having the stock they need to complete a job," he says.

The problems for smaller companies include: How do they get started? What technical know-how do they need? How should they maintain the system? says Jerrold Donington, of Langton, the EDI consultancy.

In the US, where EDI is most widespread, many tackle the problem by having a stand-alone personal computer for receiving invoices, but when these arrive they are printed out and dealt with on paper, says Gershon.

EDI can be costly. If a small company is "persuaded" by one of its biggest customers to conduct dealings electronically, it will have to adopt the same standard message formats for the invoices or order forms. In the UK, for example, there are two main formats, Tradanet messages, used by International Network Services (INS), and the Edifact ones, adopted by rival Istel.

What then happens if a second large customer also requires the supplier to use EDI, but employs a different messaging format? At best, "gateways" could be set up between the two networks, a relatively technical and expensive task. At worst, the small supplier has to buy extra hardware and software.

Marks and Spencer, the UK retail chain, requires 60 per cent of its suppliers – the whole of its clothing and homeware businesses – to use EDI. The company takes a paternalistic view and has developed a software package which allows suppliers to participate in EDI at a relatively low cost. But if they want to sell their knitwear or towels to other retail chains using EDI, they have to install a different system.

The difficulties are not all one way. Larger companies complain about what they refer to as "the 80/20 rule" – 80 per cent of the documentation comes from 20 per cent of their suppliers.

Underground trains controlled by electronic elastic

London Underground is planning to invest £300m in a new type of signalling system, which has been developed in Canada and France, but is not yet in use in the UK.

The signalling is part of a proposed £700m investment programme for the Northern Line which would increase its passenger capacity by between 20 and 30 per cent by 1998.

London Underground has been investigating new signalling technology, including a transmission-based system which uses computers to keep a constant check on the position and speed of every train.

This is likely to be at the core of the proposals for the modernisation of the Northern Line. It will mark the abandonment, on that line at least, of the principle of signalling on discrete track sections, entailing electro-mechanical relays along every 700 to 800 metres of track.

A relay is energised when there is no train on the line, giving a current to a green light. When a train is on the line, the relay becomes de-energised and a yellow or red signal lights up. Trains are permitted to go at different maximum speeds on different parts of the track.

The system has an electro-mechanical fail-safe device. This is a small arm, opposite a signal, which is raised when a signal goes to red for danger. Any train which attempts to pass through the red signal will be stopped automatically when the track-side arm hits a corresponding lever at the side of the front carriage. This operates a trip valve on the train which applies the brakes.

The driver has to get down from his cab to reset the arm. The train can restart, but is prevented from travelling at anything other than a slow speed until it has passed the next two clear signals.

This system works well enough, but the 115-kilometre Northern Line is festooned with old fashioned electro-mechanical relays and arms. Maintenance costs are high and so is the expense of an ageing fleet. Three-quarters of the line's trains are more than 30 years old and £400m is to be spent on replacements.

The need to improve capacity and service regularity without building more lines has prompted the new approach to signalling. In addition, the new system would give London Underground greater control over its trains.

Transmission-based signalling is designed to improve efficiency by running trains at optimum speeds and by reducing the gap between them from one every three minutes to one every 90 seconds. The trains could be operated automatically, but London Underground will retain drivers.

The system uses a transmitting aerial loop by the track for passing digital information between a track-side computer and the train.

A microprocessor on each train knows its position by keeping count of the wheel revolutions, and sends this information to the track-side computer. This computer, which contains continually updated information about the track, sends messages back to the train, such as the maximum safe distance between it and the next one. The microprocessor then determines the speed of the train.

The track-side and train computers communicate about once every second in a continual monitoring process, "almost as if the trains are on elastic," London Underground says.

SEL, of Canada, has installed a transmission-based system called Seltrack at Vancouver, on the Skytrain used for the 1986 World Expo exhibition, and at Scarborough, Toronto, as part of a light rapid transport system. The Anglo-French company GEC-Alsthom also has a transmission-based system, known as Sacem, which is in use on the Paris Metro.

An alternative technique, called track circuit signalling, is being considered for London's Central Line. This passes a signal through the track to set the train's speed for the next section. The train is automated and has a record of the length and position of each of the track sections.

A version of this system, the Westinghouse FS2500, is used in Singapore.

Lynton McLain

COMMODITIES AND AGRICULTURE

Cocoa price 'may stage slow recovery'

By David Blackwell

THE COCOA market, currently close to 14-year lows, stands a reasonable chance of moving towards a slow recovery by the middle of the year, according the latest cocoa market report from Gill & Duffus, the London trader.

Gill has revised downwards its estimate of the 1989-90 surplus to 205,000 tonnes from the forecast of 231,000 tonnes made last October. Last week the International Cocoa Organisation reduced its forecast for the surplus to 182,000 tonnes from 203,000 tonnes.

World production is likely to be about the same as last year, according to Gill, at 2.44m tonnes; such an outcome would be the first time in six years that production would not have increased. Forecasts have been revised downwards for Nigeria and Ghana but increased for Brazil.

At the same time grindings continue to rise strongly. The report estimates a rise of 5 per cent to 2.22m tonnes for 1990, with increased figures for Brazil and South-east Asia.

Nevertheless, by September this year world stocks will amount to over 1.3m tonnes, equivalent to seven months' supply, so there is no good reason to expect a sharp market turning point. In addition, many consumers "have extended their cover substantially over the last month or two and are therefore well protected against unforeseen disruptions to supply."

These two factors will hinder any short-term price rise, although the consumers' cover "is itself an indication that the downside risk is also quite small."

Short-term prices could be lifted by technical tightness in the March terminal market positions, which could be reinforced by option holders exercising their right to buy. On the other hand, the Ivory Coast, the world's biggest producer, still needs to market 200,000 tonnes of current crop cocoa, and a burst of selling could hit prices. The cut in Ivorian producer prices does not appear to have had a marked effect on the harvest, Gill says, although applications of chemical inputs, notably pesticides and fungicides, has been dramatically reduced.

If prices do fall again, says the report, "this could be the final downward movement from which a gradual longer-term recovery may begin."

Looking ahead to 1990-91, the report predicts that if demand continues to grow at the rates seen in the last few years and production is flat or slightly lower, next year's surplus should be well below 100,000 tonnes.

Wool growers face profits squeeze

By Chris Sherwell in Sydney

AUSTRALIAN wool growers face a sharp reduction in the profitability of their businesses over the next few years as stockpiles go on rising and prices remain supported at current levels.

The warning came yesterday from Mr Hugh Beggs, chairman of the Australian Wool Corporation, which promotes wool marketing and operates a price support scheme.

His predictions, given at an annual forecasting seminar in Canberra, appeared to blunt any hopes that the currently stagnant wool market would soon recover.

But he rejected any possibility of a cut in the Wool Corporation's floor price, the key element of an intervention scheme which in six months has led to a 2m-bale stockpile, the exhaustion of a A$1.5bn support fund and a resort to bank borrowing.

"Due to the level of stock held by us and the forecast purchases," Mr Beggs said, "there's no visible prospect of anything but relatively constant prices in nominal terms for the next three to four years."

Coupled with inflation and increased levies on growers to support the scheme, "this means a considerable reduction in the profitability of wool growing," he said. Assured fibre supplies, together with lower real prices caused by the effects of inflation and an expected weakening in the Australian dollar, meant wool should improve its market share.

Recent speculation about a cut in the floor price of 870 cents a kilogram (clean) was unfounded, Mr Beggs declared. He admitted that the Corporation had studied the option, but found a reduction "totally inappropriate."

Wool growers, who provide the resources for the fund, wanted the price maintained, he explained. A cut would have to be "very substantial" to have any market effect, which would in turn take 12-15 months to materialise. Yet it would reduce growers' incomes and devalue the wool stockpile.

It would also have "enormous global ramifications" for the wool trade, affecting the future confidence of manufacturers, he said. All wool products would be immediately devalued, causing losses to all wool users, and those who survived would be hard to convince to use wool again.

Mr Michael Lempriere, head of the Australian Council of Wool Exporters, who also spoke at the seminar, confirmed that the short-term outlook for wool was "far from good." Given the record clip from Australian growers, the stockpile would be close to 3m bales by the end of this season.

Without a buying resurgence from China – a major factor behind the current market weakness – he forecast that it would eventually approach 5m bales, almost a whole season's production.

In a pointed criticism, he said the floor price scheme had in recent years changed fundamentally. Instead of providing a measure of disaster insurance for growers, plus stability and predictability for users and growers alike, it had come to be a guarantee of profitability as the market was actively chased.

"Increasing wool production has become a one-way bet for growers, and unfortunately they have not received any market signals to tell them any different," he said.

The possibility of a floor price reduction in the future could not be totally dismissed, he argued, and the way it was set should be reviewed. In the meantime the stockpile should be quarantined – offered for sale only when the market reached a level significantly above the floor price.

"Our industry, unfortunately, has become a victim of its own success," he declared. "We now face a dilemma more serious than anything we've seen over the last 20 years."

● Earlier this week Mr John Kerin, the Primary Industries and Energy Minister, said the Government would not lower the wool floor price, despite the continuing market weakness and the growing AWC stockpile.

"The Government has no intention of intervening," he said. "This is a decision we believe the industry takes. It is their money."

But Mr Kerin said the Government would implement legislation soon to allow the corporation to raise its levy on producers from the present 8 per cent to 15 per cent from July 1. He gave no indication whether the Government would permit the AWC to increase its borrowing above the statutory limit of $A1.03bn ($500m).

The AWC has said that if the wool market continues in its present state it will need to extend the borrowing limit.

Cow disease passed to mice through feed

By David Blackwell

CATTLE MADNESS disease, or bovine spongiform encephalopathy (BSE), can be transmitted to mice by feeding them the brain tissue of infected cattle, according to a report of a Government-sponsored research project published today.

However, government veterinary officers yesterday stressed that the experiment provided no evidence that there was any risk of people contracting the disease, which has killed nearly 9,500 cattle in the UK.

The account of the experiment on mice appears in The Veterinary Record, journal of the British Veterinary Association, together with the results of a separate experiment which found that healthy cattle became infected after inoculation with infected brain tissue.

The Ministry of Agriculture said that the results demonstrated that "the disease can be transmitted using unnatural methods of infection which can only be done experimentally in laboratory conditions and which would never happen in the field."

They provided further evidence that BSE behaves like scrapie, a disease which has been in the sheep population for over 200 years without any evidence of being a risk to human health.

The disease, first identified in 1986, is believed to have been caused by giving cattle feed containing the remains of scrapie-infected sheep. Such feed was banned in 1988. Mr Ray Bradley, of the Ministry's central veterinary laboratory, said yesterday that if no other means of transmission occurred, BSE would die out by the turn of the century.

Mr Keith Meldrum, the Government's chief veterinary officer, said yesterday that the results of the experiments were "entirely expected" and identical to the results of previous experiments with scrapie.

The report of the experiment involving mice refers to a 1962 experiment in which scrapie was transmitted to mice through feeding.

Further experiments – part of a £12.4m programme over three years – are continuing to discover whether mice can be infected with BSE through material from other parts of infected cattle.

Doubt cast on nickel recovery

By Kenneth Gooding, Mining Correspondent

AS THE London Metal Exchange price of nickel for immediate delivery recovered further from its recent steep decline by moving up by $257.50 to $6,412.50 a tonne yesterday, the metals team at Shearson Lehman Hutton gave a warning that the recovery might be short-lived.

Shearson suggests that recently announced production cuts by the world's two largest producers would not be enough to prevent a 40,000 tonnes surplus of nickel developing this year compared with one of 15,000 tonnes in 1989.

"We would not be surprised to see three-month LME prices touch $2 a lb (against $2.82 a lb last night) or $4,400 a tonne before recovering in the second half of this year," Shearson adds in a special report. It has reduced its forecast average nickel price for 1990 as a whole from $3.50 to $3 a lb.

Shearson points out that nickel's problems do not stem from any inherent weakness in world economic growth but because of "massive destocking" by the stainless steel industry which accounts for 60 per cent of nickel consumption.

Clearing up the debris of Ceausescu's bitter harvest

Victor Mallet surveys the wreckage of Romanian agriculture after an era of mismanagement

WHILE CAREFREE children play ice hockey on Lake Snagov, the workers at the nearby Farm No 4 are worrying about the future of their unremarkable co-operative.

Romanian farmers are expectant but confused following the overthrow of a communist system that had replaced peasants and landlords with more than 4,000 co-operatives and state farms.

Farm No 4 is no exception. Here in Peris, on old royal land north of Bucharest, the people are delighted about the demise of incompetent central planning, but uncertain about land ownership and marketing under a more liberal regime. Farm No 4 is the animal section of a 2,500-hectare co-operative which also includes three crop farms.

"In my childhood there was still a private sector," said Mr Nicolae Stoica, who manages a neighbouring government pig-breeding unit and whose uncle runs the co-operative. "My parents had five or six hectares of land. In this village every peasant used to have a cow or a pig, chickens, horses and sheep. They were forced to come into these co-operatives."

Farm No 4 suffers from the typical failings of Romania's old central planning system – rigid, unrealistic production targets and prices, a complete lack of consideration for local conditions and a fanatical desire to export without importing the necessary inputs.

"They tried to have a large number of animals without having productivity, and there are too many animals for the land," said Mr Stoica. "There are 700 cows but only 150 give milk. That's why this one hasn't been profitable. The initiatives of the people working in the co-operative were not taken into consideration. Everything was ordered by the ministry – what animals to breed and what production to have."

A similar picture is emerging from the rest of the country. A senior official at the Agriculture Ministry explained how some farmers were ordered by the Government of the late dictator Nicolae Ceausescu to grow maize on steep hillsides; they often harvested less than the seed they had sown. Others are said to have been jailed for feeding grain to their cattle instead of releasing it for export.

In January an emergency European Community aid mission to Romania found cows starved to less than half their normal weight and hens laying what looked like quails' eggs.

Like the reform of heavy industry, the revitalisation of agriculture will be essential if Romania is to recover from the ravages of Ceausescu and his planners. Farming is still an important contributor to the economy, but not quite as important as Ceausescu led his people to believe. Most crop figures were wildly exaggerated, with last year's grain harvest closer to 17m tonnes than the 60m tonnes announced.

Some small and successful vegetable producers in the foothills of the Carpathians were never collectivised, and Mr Stoica and others believe it will be possible for Romania to revive private farming. "But the land shouldn't be given to the people who don't know how to to work it," he cautioned. "Most of the peasants now work in industry."

Breaking up enormous state farms – one of them near Timisoara has more than 1m pigs – will be difficult, but the interim Government already has plans to hand back 2m hectares of co-operative land to the peasants. According to the Agriculture Ministry about 20 per cent of farmland is state-run, 65 per cent is co-operative and 15 per cent owned or controlled by individuals.

Following the revolution Romania has suspended food exports until the middle of the year and started to import produce to feed its deprived citizens. But there are still food queues, and it could take years of reforms and investments before Romania again becomes a wealthy agricultural nation.

Officials say co-operatives can henceforth grow whatever they want, although they will be asked to provide crop estimates to the Government. They will not be obliged to sell crops to the state or buy its inputs. Instead they can sell on the free market and purchase their own inputs in exchange for cash or produce. The state, however, will stabilise prices by maintaining crop reserves.

"The prices that the state pays will be rearranged to cover the cost of production and allow for a profit," said one senior offical. "Until now all the co-operatives had to sell to the state and the prices were so low that costs were not covered – and the co-operatives had great debts to the state." He said the state was expected to help farmers with debt relief and by providing equipment and services, but the co-operatives would be autonomous. "If they don't have profits, they go out of business. The state is not responsible."

Some Romanians are reluctant to carve up and privatise the co-operatives too quickly for fear that small farms will prove uneconomic. They say that the main problem under Ceausescu was not so much the fact of state control as the burdensome pricing system which paid farmers too little without passing on the benefits to the consumer.

It may be that peasants do not care for such arguments. Mr Bogdan Teodoriu, head of the ruling National Salvation Front's Commission for Reconstruction and Economic Development, said some peasants had already taken back their ancestral land without waiting for legislation.

Following the ending of Ceausescu's price controls peasants are travelling to Bucharest from all over Romania to take advantage of the higher prices now available for their produce

UK companies win Burmese oil contracts

By Chit Tun in Rangoon

TWO BRITISH oil companies, Croft Exploration of Glasgow and Kirkland Resources of Hertfordshire, have won 25-year production-sharing contracts from the Burmese Government for oil exploration and production in two onshore blocks.

The block allotted to Croft lies in the Irrawaddy Delta where in 1981 Burmese geologists reported discovery of "two giant oilfields."

Kirkland's block in the Moulmein area of south-east Burma lies close to an area where oil-shale deposits were found as early as in 1921.

Since October last year, the Burmese Government has lifted the 26-year-long ban on foreign participation in onshore oil exploration and production, and has so far awarded production-sharing contracts for nine blocks to nine multinational oil companies from seven countries.

Apart from the two British companies, these are Yukong of South Korea, Shell of Netherlands, Idemitsu of Japan, Petro-Canada of Canada, Amoco and Unocal of the US, and Broken Hill Proprietary of Australia.

Four more contracts will be awarded soon for the remaining onshore blocks.

WORLD COMMODITIES PRICES

LONDON MARKETS

THE GOLD price rallied on the London bullion market yesterday as overnight confirmation of a US proposal to use International Monetary Fund holdings to help pay debtor countries' payments arears was generally shrugged off. Early talk of the US plan had pushed the price down to $411.30 a troy ounce at one stage on Wednesday but by the close it had recovered to $412.75 an ounce, down $6.50 on the day. Yesterday another $3.50 was regained, leaving the privce at $416.25 an ounce. On the London Metal Exchange all the base metals contracts registered moderate gains, led by a £22.50 rise in cash copper to £1,327 a tonne. Overnight Japanese buying, firmer world equities and a further fall in New York Commodity Exchange (Comex) stocks of the metal the market off to a strong start, but prices later drifted back in thin trading.

SPOT MARKETS

Crude oil (per barrel FOB)		+ or -
Dubai	$16.75-6.80z	-0.25
Brent Blend	$19.88-9.92z	+0.75
W.T.I. (1 pm est)	$22.50-2.60z	+0.50
Oil products (NWE prompt delivery per tonne CIF)		+ or -
Premium Gasoline	$224-226	+3
Gas Oil	$166-167	-3
Heavy Fuel Oil	$88-90	+2
Naphtha	$202-204	-1
Petroleum Argus Estimates		
Other		+ or -
Gold (per troy oz)✤	$416.25	+3.5
Silver (per troy oz)✤	521.25c	+1.25
Platinum (per troy oz)	$507.50	-2
Palladium (per troy oz)	$135.60	-0.15
Aluminium (free market)	$1400	+20
Copper (US Producer)	160^{3}_{8}-162c	
Lead (US Producer)	40.5c	
Nickel (free market)	300c	+20
Tin (Kuala Lumpur market)	17.40r	
Tin (New York)	287c	-5
Zinc (US Prime Western)	65¼c	
Cattle (live weight)†	112.67p	+0.81*
Sheep (dead weight)†	206.01p	+2.29*
Pigs (live weight)†	90.09p	+1.89*
London daily sugar (raw)	$357.0x	+9.0
London daily sugar (white)	$432.0x	+5.50
Tate and Lyle export price	£326.5	+5.50
Barley (English feed)	£113.75w	+0.50
Maize (US No. 3 yellow)	£128.5w	
Wheat (US Dark Northern)	£130	
Rubber (spot)♥	53.50p	
Rubber (Mar)♥	57.75p	+1.0
Rubber (Apr)♥	57.75p	
Rubber (KL RSS No 1 Feb)	231.5m	
Coconut oil (Philippines)§	$420.0x	
Palm Oil (Malaysian)§	$270w	-20
Copra (Philippines)§	$275	
Soyabeans (US)	£159w	
Cotton "A" index	75.60c	-0.95
Wooltops (64s Super)	568p	

£ a tonne unless otherwise stated. p-pence/kg. c-cents/lb. r-ringgit/kg. x-Feb/Mar. t-Jan/Feb. v-Jan/Mar. w-Feb. z-Mar. †Meat Commission average fatstock prices. * change from a week ago. ♥London physical market. §CIF Rotterdam. ✤ Bullion market close. m-Malaysian cents/kg.

COCOA – London FOX £/tonne

	Close	Previous	High/Low	
Mar	626	626	629	625
May	638	640	640	636
Jul	648	650	652	647
Sep	665	669	669	665
Dec	689	692	692	688
Mar	708	712	712	708
May	723	727	725	722

Turnover: 2273 (3293) lots of 10 tonnes
ICCO indicator prices (SDRs per tonne). Daily price for Jan 31 758.51 (762.48):10 day average for Feb 1 757.18 (757.01)

COFFEE – London FOX $/tonne

	Close	Previous	High/Low	
Mar	580	582	579	570
May	584	586	585	575
Jul	595	598	595	588
Sep	610	612	611	605
Nov	625	630	626	623
Jan	643	645	642	642

Turnover: 1581 (2610) lots of 5 tonnes
ICO indicator prices (US cents per pound) for Jan 31: Comp. daily 62.49 (62.60). 15 day average 62.07 (62.21)

SUGAR – London FOX ($ per tonne)

Raw	Close	Previous	High/Low	
Mar	326.80	429.0	333.00	320.00
May	327.00	425.5	331.60	321.00
Aug	325.80	428.5	329.00	321.00
Oct	316.60	[illegible]	319.00	312.00
Dec	312.00	368.5	309.00	
Mar	293.00	363.0	296.60	290.00
White	**Close**	**Previous**	**High/Low**	
Mar	429.5	326.00	431.0	425.5
May	426.5	324.00	428.5	422.5
Aug	[illegible]		[illegible]	[illegible]
Oct	393.5	311.00	395.0	391.0
Mar	360.5		363.0	362.0
May	359.5	288.00	362.0	

Turnover: Raw 8688 (5238) lots of 50 tonnes. White 1439 (1514)
Paris- White (FFr per tonne): Mar 2435, May 2435, Aug 2460, Oct 2288, Dec 2145, Mar 2120.

CRUDE OIL – IPE $/barrel

	Latest	Previous	High/Low	
Mar	19.95	19.60	20.00	19.77
Apr	19.43		19.49	19.28
IPE Index	19.72			

Turnover: 4362 (5533)

GAS OIL – IPE $/tonne

	Latest	Previous	High/Low	
Feb	166.75		167.60	165.25
Mar	164.50	163.50	165.00	162.75
Apr	161.75	161.00	162.00	160.00
Jun	159.50	158.50	159.00	158.00
Jul	159.50	159.00	159.50	156.75

Turnover 5538 (5773)lots of 100 tonnes

FRUIT AND VEGETABLES

A huge variety of apples are available including: English Cox's at 40-55p a lb (40-50p),reports FFVIB. Grapefruit remain excellent value at 10-25p and kiwifruit at 10-25p each. Bananas are slightly more expensive at 60-65p a lb due to shorter supplies. Oranges are a good buy at 10-15p each. English carrots are 15-25p a lb and Dutch 10-26p a lb. Brussel Sprouts are 25-33p, parsnips 25-45p, mushrooms 25-75p a lb. British and Dutch round lettuces are 35-55p. Celery is 40-65p and spring onions are 40-50p a bunch.

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)

	Close	Previous	High/Low	AM Official	Kerb close	Open Interest
Aluminium, 99.7% purity ($ per tonne)						Ring turnover 20,675 tonne
Cash	1405-8	1393-6		1397-8		
3 months	1425-6	1417-8	1437/1418	1419-20	1425-6	-
Copper, Grade A (£ per tonne)						Ring turnover 34,700 tonne
Cash	1326-8	1304-5	1335	1334.5-5.5		
3 months	1339.5-40	1317-8	1354/1337	1349-50	1345-6	-
Lead (£ per tonne)						Ring turnover 3,050 tonne
Cash	417-9	413-4		418-9		
3 months	412-3	408-9	414/411	412-2.5	412.5-13	-
Nickel ($ per tonne)						Ring turnover 1,698 tonne
Cash	6400-25	6140-70	6450/6425	6425-30		
3 months	6200-25	6000-10	6200/6150	6200-6225	6200-50	
Tin ($ per tonne)						Ring turnover 1,400 tonne
Cash	6250-70	6230-60	6260	6250-60		
3 months	6380-90	6370-80	6390/6360	6390-400	6370-5	-
Zinc, Special High Grade ($ per tonne)						Ring turnover 11,450 tonne
Cash	1295-300	1264-6	1297/1298	1295-7		
3 months	1290-3	1265-7	1293/1285	1290-1	1290-3	-
Zinc ($ per tonne)						Ring turnover 1,000 tonne
Cash	1260-90	1260-70		1265-90		
March 30	1260-70	1240-50		1260-70		lots

LME Closing £/$ rate: SPOT: 1.6850 | 3 months: 1.6579 | 6 months: 1.6296 | 9 months: 1.6070

POTATOES – BFE £/tonne

	Close	Previous	High/Low	
Feb	144.0	145.0	143.0	
Apr	205.0	202.2	206.5	202.1
May	227.8	225.0	228.0	224.5

Turnover 374 (142) lots of 40 tonnes.

SOYABEAN MEAL – BFE £/tonne

	Close	Previous	High/Low
Apr	132.50		32.50

Turnover 50 (5) lots of 20 tonnes.

FREIGHT FUTURES – BFE $10/index point

	Close	Previous	High/Low	
Feb	1595	1602	1610	1595
Mar	1627		1636	1625
Apr	1634	1640	1646	1630
Jul	1393	1393	1400	1390
Oct	1500	1502	1500	
BFI	1642	1644		

Turnover 440 (391)

GRAINS – BFE £/tonne

Wheat	Close	Previous	High/Low	
Mar	115.45	0.10	15.45	15.10
May	119.60	199.25	19.65	19.25
Jun	121.40	121.10	21.50	21.10
Sep	106.25	106.20		
Nov	109.10	109.05	09.20	09.10
Jan	112.70	0.70	12.85	
Barley	**Close**	**Previous**	**High/Low**	
Mar	109.05	108.70	09.00	08.75
May	111.50	111.00	11.50	

Turnover: Wheat 226 (723), Barley 24 (48).
Turnover lots of 100 tonnes.

PIGS – BFE (Cash Settlement) p/kg

	Close	Previous	High/Low	
Feb	108.0	110.0	108.0	107.5
Apr	114.5	115.0	114.0	
Jun	114.5	116.0	114.5	114.0

Turnover 65 (30) lots of 3,250 kg

LONDON BULLION MARKET

Gold (fine oz)	$ price	£ equivalent
Close	416-416½	247-247½
Opening	414-414½	246-246½
Morning fix	413.25	245.50
Afternoon fix	415.80	246.59
Day's high	416½-417	
Day's low	413-413½	
Coins	**$ price**	**£ equivalent**
Mapleleaf	428-433	254-257
Britannia	428-433	254-257
US Eagle	428-433	254-257
Angel	428-433	254-257
Krugerrand	415-418	246½-248½
New Sov.	98-99	58¼-59
Old Sov.	98-99	58¼-59
Noble Plat	513.60-521.70	305.56-310.35
Silver fix	**p/fine oz**	**US cts equiv**
Spot	308.60	521.25
3 months	321.20	532.05
6 months	332.70	543.00
12 months	355.60	565.90

TRADED OPTIONS

Aluminium (99.7%)	Calls		Puts	
Strike price $ tonne	Mar	May	Mar	May
1300	119	134	1	6
1400	39	62	20	32
1500	5	21	86	88
Copper (Grade A)	**Calls**		**Puts**	
2100	151	154	11	[illegible]
2200	79	97	38	83
2300	33	58	91	140
Coffee	**Mar**	**May**	**Mar**	**May**
550	32	52	3	18
600	6	26	27	42
650		11	71	77
Cocoa	**Mar**	**May**	**Mar**	**May**
600	29	53	4	17
650	4	27	29	41
700		11	75	75
Brent Crude	**Mar**	**Apr**	**Mar**	**Apr**
1900				
1950		40	10	8
2000	18	20	29	20

US MARKETS

THE PRECIOUS METALS began the day firm and extended gains late in the session, reports Drexel Burnham Lambert. Prices advanced with trade, fund and dealer buying influenced by a combination of a weaker US Dollar, reaction to yesterday's decline in gold and position-squaring in silver in advance of the expiry of March options next week. Copper began the day firm against the dollar. However, towards the close, local long-liquidation drove prices lower as the market failed to penetrate resistance. Sugar opened strong with trade short-covering. However, a report that the Brazilian federal court would resolve the issue of export quotas led to panic long-liquidation before fresh buying reversed the market to settle. Coffee barely held onto gains as overhead price fix selling was anticipated. Cocoa was lacklustre. Crude oil futures firmed as short-covering emerged. The energy products continued to exhibit a weak undertone, but underlying support was noted.The grains closed mixed as the markets continued to consolidate.Pork bellies remained under pressure, but in light volume. Cattle saw early technical short-covering before weakening and hogs eased as commisison house stops were elected.

New York

GOLD 100 troy oz.; $/troy oz.

	Close	Previous	High/Low	
Feb	417.6	412.4	418.3	413.0
Mar	418.0	414.9	416.9	418.0
Apr	423.5	417.8	423.5	418.7
Jun	429.2	423.4	429.3	[illegible]
Aug	433.6	428.5	433.0	430.5
Dec	444.5	439.3	446.0	[illegible]
Feb	448.5	[illegible]	446.6	445.0

PLATINUM 50 troy oz; $/troy oz.

	Close	Previous	High/Low	
Apr	517.5	512.2	517.5	512.5
Jul	524.0	518.5	524.0	522.5
Oct	529.0	524.8	529.0	529.0

SILVER 5,000 troy oz; cents/troy oz.

	Close	Previous	High/Low	
Feb	[illegible]	519.4	522.0	522.0
Mar	532.6	522.8	533.0	523.5
Apr	537.0	527.0	536.0	423.3
May	541.2	531.1	541.5	531.5
Jul	549.4	539.2	549.0	544.0
Sep	558.1	547.8	557.5	551.0
Dec	570.0	559.6	568.5	562.5
Jan	574.5	563.1	0	0
Mar	582.2	571.7	579.5	578.0
May	590.3	579.7	0	0

INDICES

REUTERS (Base: September 18 1931 = 100)

Feb 1	Jan 31	mnth ago	yr ago
1780.7	1770.6	1811.2	1977.8

DOW JONES (Base: Dec. 31 1974 = 100)

	Jan 31	Jan 30	mnth ago	yr ago
Spot	127.53	127.08	127.17	137.28
Futures	129.09	128.89	129.10	140.46

HIGH GRADE COPPER 25,000 lbs; cents/lbs

	Close	Previous	High/Low	
Feb	98.90	100.40	100.30	98.80
Mar	97.70	98.60	99.70	97.50
Apr	97.20	97.80	98.00	97.20
May	96.50	97.30	98.10	[illegible]
Jun	96.20	97.00	0	0
Jul	95.60	96.40	97.10	95.50
Aug	95.00	95.80	0	0
Sep	94.30	95.05	94.90	94.80
Oct	93.90	94.65	0	0
Nov	93.50	94.25	0	0

CRUDE OIL (Light) 42,000 US galls $/barrel

	Latest	Previous	High/Low	
Mar	22.66	22.69	22.78	22.46
Apr	21.92	21.93	22.04	21.77
May	21.51	21.51	21.66	21.35
Jul	20.80	20.83	20.96	20.69
Aug	20.60	20.64	20.63	20.42
Sep	20.32	20.31	20.40	20.20
Oct	20.13	20.14	20.20	20.10
Nov	20.04	20.03	20.06	19.93
Dec	19.98	19.96	20.05	19.86

HEATING OIL 42,000 US galls, cents/US galls

	Latest	Previous	High/Low	
Mar	5700	5756	5830	5678
Apr	5655	5588	5660	5530
May	5420	5442	5480	5405
Jun	5300	5322	5360	5290
Jul	5285	5302	5300	5280
Aug	5355	5354	5365	5350
Sep	5450	5434	5490	5435
Nov	5585	5564	5585	5585
Dec	5669	5614	5669	5669

COCOA 10 tonnes;$/tonnes

	Close	Previous	High/Low	
Mar	961	962	970	956
May	958	957	968	954
Jul	974	974	985	970
Sep	993	991	998	987
Dec	1013	1014	1015	1012
Mar	1031	1034	1034	1034
May	1047	1050	0	0
Jul	1075	0	0	0

COFFEE "C" 37,500lbs; cents/lbs

	Close	Previous	High/Low	
Mar	[illegible]	79.99	80.75	79.80
May	82.25	81.59	82.35	81.40
Jul	84.00	83.31	84.05	83.25
Sep	85.75	85.00	[illegible]	85.00
Dec	88.05	87.28	88.25	88.25
Mar	90.25	89.60	90.00	[illegible]
May	91.88	91.55	92.00	92.00
Jul	94.00	0	94.00	94.00

SUGAR WORLD "11" 112,000 lbs; cents/lbs

	Close	Previous	High/Low	
Mar	14.60	14.73	15.12	14.50
May	14.60	14.66	15.01	14.48
Jul	14.62	14.49	14.81	14.35
Oct	14.26	14.12	14.40	13.95
Mar	13.48	13.35	13.60	13.38
May	13.35	13.23	0	0

COTTON 50,000; cents/lbs

	Close	Previous	High/Low	
Mar	67.05	67.05	67.25	66.70
May	68.10	68.18	68.39	67.88
Jul	68.40	68.57	68.63	68.12
Oct	66.10	66.35	66.40	66.00
Dec	65.05	65.20	65.25	64.65

ORANGE JUICE 15,000 lbs; cents/lbs

	Close	Previous	High/Low	
Mar	196.50	196.10	196.40	195.10
May	194.00	194.50	194.00	194.10
Jul	191.50	190.50	194.00	191.50
Sep	185.50	186.15	185.50	185.50
Nov	181.50	182.25	182.00	180.00
Jan	179.00	178.50	0	0
Mar	179.00	178.50	0	0
May	178.00	178.50	0	0

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel

	Close	Previous	High/Low	
Mar	559/6	561/0	567/4	559/4
May	572/0	573/4	579/6	571/4
Jul	584/4	585/4	592/0	584/0
Aug	587/4	589/0	594/6	587/0
Sep	587/0	589/6	594/0	587/0
Nov	593/4	595/2	600/0	593/0
Jan	602/4	605/4	609/6	602/0
Mar	613/0	616/0	616/0	613/0

SOYABEAN OIL 60,000 lbs; cents/lb

	Close	Previous	High/Low	
Mar	19.22	19.17	19.50	19.17
May	19.58	19.55	19.85	19.58
Jul	19.88	19.81	20.12	19.81
Aug	19.92	19.87	20.15	19.86
Sep	19.93	19.88	20.15	19.90
Oct	19.93	19.88	20.20	19.90
Dec	20.03	20.02	20.30	20.03
Jan	20.05	20.03	20.30	20.05

SOYABEAN MEAL 100 tons; $/ton

	Close	Previous	High/Low	
Mar	167.4	167.9	168.8	[illegible]
May	170.8	171.1	172.0	170.7
Jul	173.8	174.1	174.8	173.8
Aug	175.5	175.8	176.7	[illegible]
Sep	177.3	177.7	178.5	177.2
Oct	178.8	179.0	179.5	178.8
Dec	181.3	182.0	[illegible]	181.2
Jan	183.5	[illegible]	183.5	183.0

MAIZE 5,000 bu min; cents/56lb bushel

	Close	Previous	High/Low	
Mar	[illegible]	238/2	238/4	237/2
May	243/2	243/6	244/2	243/0
Jul	247/2	247/6	248/2	247/0
Sep	245/2	246/2	246/4	245/2
Dec	243/2	244/0	244/2	242/4
Mar	249/6	250/2	250/0	249/6
May	253/2	254/0	254/4	252/6

WHEAT 5,000 bu min; cents/60lb-bushel

	Close	Previous	High/Low	
Mar	375/2	375/6	377/4	373/2
May	364/4	362/6	365/2	361/2
Jul	348/4	[illegible]	350/0	347/0
Sep	354/4	354/0	356/4	353/2
Dec	366/4	365/4	367/4	364/4
Mar	372/0	372/0	372/0	371/4

LIVE CATTLE 40,000 lbs; cents/lbs

	Close	Previous	High/Low	
Feb	79.00	79.35	79.55	78.90
Apr	76.10	76.02	76.60	75.92
Jun	[illegible]	71.80	72.30	71.80
Aug	70.05	70.85	71.15	70.82
Oct	71.60	71.45	71.85	71.40
Dec	72.45	72.50	72.62	72.45
Feb	72.65	0	72.65	72.50

LIVE HOGS 30,000 lb; cents/lbs

	Close	Previous	High/Low	
Feb	48.30	48.70	48.85	48.12
Apr	46.70	46.67	46.92	46.52
Jun	51.85	52.42	52.35	51.72
Jul	[illegible]	52.37	52.47	51.92
Aug	50.65	51.05	51.10	50.50
Oct	46.15	46.35	46.35	45.95
Dec	46.50	46.85	47.05	46.45
Feb	46.80	46.80	46.90	46.80

PORK BELLIES 40,000 lbs; cents/lb

	Close	Previous	High/Low	
Feb	50.20	50.45	50.80	49.22
Mar	50.52	50.62	51.40	50.00
May	51.75	52.00	[illegible]	[illegible]
Jul	52.20	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]	[illegible]
Mar	[illegible]	[illegible]	[illegible]	[illegible]

LONDON STOCK EXCHANGE

Early advance runs out of support

LONDON'S EQUITY market yesterday at first succeeded in extending its recent upturn but then ran out of support and closed well below the day's best levels. Once again there was selective interest in the defensive shares, with speculative activity among insurance stocks providing several features. However, the investment institutions were cautious and marketmakers were left to digest the aftermath of this week's trading programmes without further pressures.

Hopes ran high yesterday morning, in view of Wall Street's 47 point rise overnight – although enthusiasm was held in check by the mere 17 point rise in the Nikkei Dow Index in Tokyo. UK equities quickly moved ahead, and the first two hours of Seaq trading saw the Footsie Index rise by just over 18 points. However, turnover was very slow, indicating that marketmakers were lifting share quotations on slim encouragement.

Account Dealing Dates		
*First Dealings:		
Jan 15	Jan 29	Feb 12
Option Declarations:		
Jan 25	Feb 8	Feb 22
Last Dealings:		
Jan 26	Feb 9	Feb 23
Account Day:		
Feb 5	Feb 19	Mar 5

*New time dealings may take place from 9.00 am two business days earlier.

The sheer lack of trading volume proved the market's undoing, and two-thirds of the Footsie gain melted away as London drifted ahead of the new session on Wall Street. With the Dow Average hesitant before edging upwards to show a 6.98 gain as London closed, the UK market resumed its advance only at the very end of the day.

The final reading showed the FT-SE Index up 8.5 at 2,345.8, still comfortably inside what some analysts have identified as a new trading range based around 2,330. Seaq volume of 470.5m shares compared with 571.9m in the previous session.

Most trading firms were happy to say goodbye to January 1990, a month which has given them more than their usual share of headaches as the stock market moved erratically after falling sharply from the new peak reached early in the month.

The month brought a net fall of 35.4 points on the FT-SE Index (see chart), an unhappy trend for those analysts who point to the fact that the January trend has been a guide to the pattern for the full year in both the London and New York markets; past performance of the FT Ordinary Share Index shows that the January trend has proved an accurate barometer for most of the past twenty five years.

This week's rally in equities has appeared suspect to some analysts because of the low level of trading volume, even when compared with what has become the depressing norm since the market Crash of October 1987. At Hoare Govett, Mr Robin Aspinall commented that he still fears a market correction down to the Footsie 2,029.7 trading low of Grey Monday in October 1989, although he expects another good bull market will then develop. A significantly bearish pointer, he says, is the relative underperformance of the broader market against the Footsie since last October.

Greater optimism on BAe

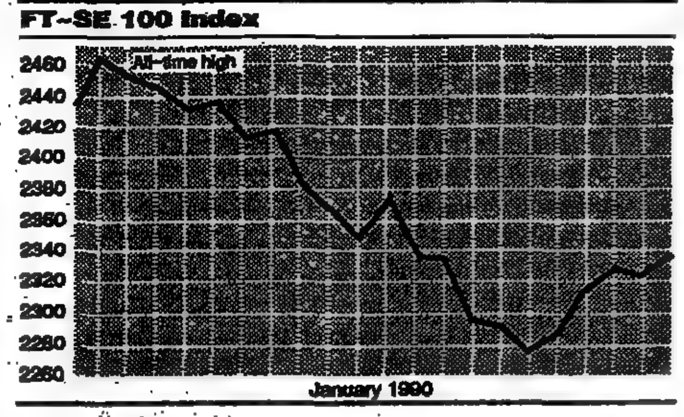
SPECULATION THAT the industrial action at British Aerospace (BAe) could soon end helped push the shares up 17 to 560p, while downturns for related companies showed how much the strike has depressed the sector. The company reported that talks continued, but that suggestions of a settlement were premature.

Mr Clive Forestier-Walker of Kitcat & Aitken said dealers were also encouraged by the possibility of Daimler-Benz taking a 15 per cent stake in the company. Press reports that the company would not object to such a deal caused the price to rally initially on Tuesday. The maximum permitted foreign shareholding in the company is 29 per cent, and the current figure is believed to be 14 per cent, giving the suggested move by Daimler some logic. The company said that talk about a cross-shareholding was still only speculative.

However, other traders reported that, as the stake would be in the form of a cross-holding, and the two companies already collaborate on joint ventures including Airbus and Tornado, there was little reason for the speculation to affect the share price. Mr Nick Cunningham of Laing & Cruickshank suggested that an active bid would not be in Daimler's interests, and would almost certainly be blocked either by the UK government or the European Commission.

The rally may have been helped by BAe's new contract from the Ministry of Defence to convert 18 aircraft into flight refuelling tankers for the RAF, worth over £100m, although some dealers in the stock traded for the day without even noticing the company's announcement.

FT-SE 100 Index



January 1990

Sedgwick setback

Shares in Sedgwick, the insurance broking group, were weak among otherwise firmer insurance brokers after Charterhouse Tilney, the Liverpool-based broker, reaffirmed its cautious stance and profits forecasts on the stock. Mr John Marr, insurance analyst at Charterhouse Tilney, said he had not lowered his pre-tax profits forecast for the year to end-1990, but was keeping it at £100m, a figure below many other estimates which range up to £120m.

The Charterhouse analyst said the shares had run too far recently on hopes of an improvement in the US insurance cycle, good figures from US broker Marsh and McLennan and the bid hopes prompted by hints that Transamerica will sell on its 39.9 per cent stake when its agreement not to sell expires at the end of this month. Sedgwick's preliminary figures are expected on February 27. Dealers noted persistent selling of Sedgwick, which ran back 8 to 295p on turnover of 3.8m shares, well above normal.

Other insurance broking stocks were higher on the day, with CE Heath, up 7 at 525p and Willis Faber a fraction ahead at 275p.

Carlton wanted

Carlton Communications had a good day after a weak January. Sentiment was helped by the approach of a series of presentations to investors in Japan. In addition, analysts at County NatWest WoodMac edged their profit forecasts higher after a meeting with the company yesterday.

Ms Julie Feaver at County said: "They are having a very reasonable trading time and their markets are growing fast." She added that speculation that the company might take a stake in British Satellite Broadcasting had held the share price back. "I don't think it's likely they will buy the BSB stake," she said. The shares climbed to 780p before closing a net 8 firmer at 776p.

County's new estimate of the current year's profit is £175m, up from £173m, while next year it is predicting £210m instead of £205m. Ms Feaver added that the tax charge would be lower, and lifted her eps forecast from 68.8p to 71p.

Renewed fears of competition for Wellcome's Aids drug, Retrovir, left the shares 14 lower at 700p. Other pharmaceutical stocks were also weak, with Glaxo 5 off at 708p, Smithkline Beecham's "A" shares 2 cheaper at 549p and Reckitt & Colman closing at 1214p, down 12. Dealers said the sector had outperformed recently.

Triton Europe raced up 36 to 238p on news that Triton Energy, its American parent which holds a stake of 59.5 per cent (49.1m shares) in Triton Europe, is considering the sale of all or part of the holding.

The oil sector continued its strong performance, with the sector relative to the market moving to a three-year high according to dealers who said the boost to the oils came from what is now perceived to be a general upwards re-rating of the shares on hopes of firmer crude oil prices.

There was more big turnover in British Gas, 12m, which added 2 more at 226p, after 229p, while BP, where 12m shares changed hands, put on 4 to 345p. Shell added 3 at 487p on 5.3m. Enterprise, up 5 at 668p on good turnover of 1.2m, and LASMO, up 6 more at 635p on 3.1m, were particularly in demand in the marketplace.

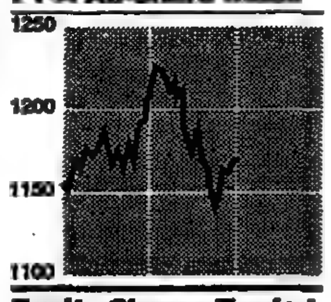
In an otherwise quiet transport stock sector, BAA shed some of the gains made at the start of the week. The shares eased 6 to 392p in thin trade of less than 1m shares. A shortage of stock squeezed P & O 9 higher at one point before they closed at 621p, up 6 on the day.

A positive note from Hoare Govett helped Polly Peck advance 8 to 414p. Hoare said that in spite of the recent outperformance, Polly Peck remained undervalued. Its foods division would benefit from favourable pricing trends in fresh fruit. However, "the kicker to the rating" would be the corporate demerger, where the first steps are likely later in the year, Hoare said. Polly Peck's two primary concerns, Del Monte and Sansui, Hoare estimated to be worth more as separate units than the holding company.

Hillsdown added 2 to 269p after Hoare Govett came away from a visit to the company apparently reassured about its non-food operations. This helped ease worries that analysts were set to downgrade their profit forecasts for Hillsdown. Renewed speculation that Sunningdale could yet use its 29.9 per cent stake to launch a full bid for Ranks Hovis McDougall pushed the UK food manufacturer 5 higher to 435p.

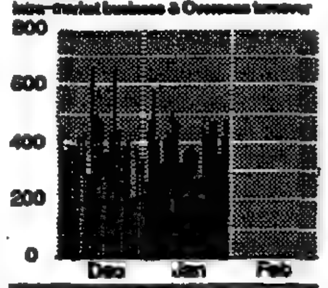
Continuing good support, following a recent visit by fund managers, helped Unilever gain 8 to 675p. US buying was said to be behind Tate & Lyle's advance of 4 to 312p. One analyst said ADM, the US corn syrup producer, may have been the buyer and could now be holding just under 5 per cent of Tate. But he added ADM would be unlikely to launch a full bid as it would run into US anti-trust laws, and instead would favour an investment stake.

FT-A All-Share Index



Equity Shares Traded

Turnover by volume (million)
Excluding:
Intra-market business & Overseas turnover



Further consideration of disappointing profit figures on Wednesday from W.H. Smith helped the "A" shares recover 4 to 321p. But the performance of Smith's Do-It-All subsidiary was said to have hurt Kingfisher, which also has a do-it-yourself division. Kingfisher slipped 6 to 276p.

Dixons moved in the same direction as Kingfisher, an unusual event in recent weeks. The Kingfisher bid for Dixons is being considered by the Monopolies and Mergers Commission and their share prices tend to move in opposite directions as sentiment varies on whether the bid will be given the go-ahead. Dixons eased 3 to 128p.

USM-quoted Sock Shop continued Wednesday's slide, down 18 to 50p. The company yesterday warned it expected to make a loss for the current year. It said it was continuing to discuss refinancing with its bankers.

The takeover speculation that has kept the insurance market bubbling for many months switched from its temporary home in the lifes, where Sun Life has held centre-stage, back to the composites yesterday.

Most of the speculation settled on Commercial Union and General Accident. Dealers said there had been aggressive buying of Commercial Union (CU), which advanced 14 to 513p on turnover of 3.3m shares. The bid stories involved all the old market favourites, including the French and other Continental insurance groups, but there was also talk of possible involvement by Sir James Goldsmith.

But dealers pointed to the protective 14.5 per cent stake in CU held by Sun Alliance, which acquired the shares from Adsteam last year. General Accident, also sustained by switching out of the other composites, put on 22 to 1168p on turnover of 755,000 shares. Royals dipped 5 to 523p and Sun Alliance 2 to 323p.

Barclays Bank, after appointing Mr Nigel Lawson, the former British Chancellor of the Exchequer to its main board, outstripped other leading banks, the shares adding 10 to 586p, having touched an all-time peak of 588p at one point. Turnover came out at 2.7m. Marketmakers said the latest bout of buying interest came from income funds eager to pick up the dividend to be announced along with the preliminary figures scheduled for March 1.

NatWest, due to report on February 20, rose 5 to 355p, partly in response to dividend-buying, dealers said. Lloyds were the same amount up at 299p on turnover of 3.7m after reports that Hongkong & Shanghai was interested in acquiring Lloyds Bank of Canada. Lloyds was also expected to announce the sale of assets in New Zealand.

Abbey National put on 3 to 186p after some renewed buying interest, but British & Commonwealth came under pressure, sliding 3 to 72p.

IEP's 17p a share bid for GPG, the remains of the former Guinness Peat merchant bank, saw GPG shares dip 4 to 19p.

In a quiet day for the property sector, Laing Properties again provided the most interest, as profit-taking forced the shares down 24 to 550p. Hopes for a bid from stake-holder Chelsfield faded.

Renewed American buying and talk of a stock shortage boosted British Telecom a further 4½ to 305½p, after 307p, on 5.8m. Racal Telecom moved up 6 to 361p and Racal Electronics hardened to 218p ahead of the forthcoming presentations while STC, still boosted by the BZW buy recommendation, rose 5 more to 261p.

ABB Kent jumped 35 to 168p after the 178p a share cash bid for the minority shares from ABB Brown Boveri.

A profit warning from FR Group overshadowed the company's involvement in the same Ministry of Defence contract that helped buoy British Aerospace. The company blamed revised cost estimates and a shortfall in deliveries for the caution on profits. The shares fell 28 to 194p.

■ Other Market statistics, including the FT-Actuaries share index, London Traded Options, and recent issues (including the water issue stocks) Page 20

NEW HIGHS AND LOWS FOR 1989/90

NEW HIGHS (38).
BANKS (3) Barclays, Hambros 7.5p Pf., TSB, STORES (1) Lowndes Q'way., ELECTRICALS (1) ABB Kent, FOODS (3) FII-Fyffes, Farepak, Tate & Lyle 7¼pc Pf., INDUSTRIALS (4) Glaves, Hafslund Nycomed "A", Do. "B", Proudfoot, PAPERS (2) More O'Ferrall, TMD Advertising, TRANSPORT (1) BAA, TRUSTS (3) Frost, Gartmore Am. Sec. Zero Pf., OILS (6) BP, Hardy Oil & Gas, LASMO, Monument Oil, Norsk Hydro, Triton Europe, OVERSEAS TRADERS (1) Antofagasta, MINES (2) Kidston Gold, Lorelle.

NEW LOWS (47).
AMERICANS (1) Chrysler, CANADIANS (4) Breakwater, Granges, Muscocho, Rio Algom, BANKS (1) Mitsubishi Tst & Bkg., BREWERS (1) Eldridge Pope "A", CHEMICALS (1) Astra, STORES (4) Era, Jacques Vert, Oliver "A", Rock Stoc., ELECTRICALS (6) Audit & Gen., Essex, Isopad, MSS, Wem, Selection, ENGINEERING (3) Aerospace Eng., 600 Grp., VSEL Consortium, INDUSTRIALS (8) BTS, Kleen-E-Ze, Norton, Rock, Smithdine, Beecham Ln 1990/92, Spectrum, LEISURE (1) Midsummer Leisure, PROPERTY (4) HK Land, Land Securities, Do. 10pc 2025, Regentcrest, SHOES (1) Strong & Fisher, TRANSPORT (2) Cons. Freightways, TNT, TRUSTS (3) Brit. & Comm., Do. 7¼pc Ln 2000, MINES (3) Bougainville Kins, Emperor Mines, THIRD MARKET (3) Leading Leis., UPL, Vista Ents.

FINANCIAL TIMES STOCK INDICES

	Feb 1	Jan 31	Jan 30	Jan 29	Jan 26	Year Ago	1989/90 High	1989/90 Low	Since Compilation High	Since Compilation Low
Government Secs	81.56	81.55	81.64	81.77	81.84	88.67	89.29 (8/2/89)	81.04 (18/1/90)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Interest	91.06	91.06	90.92	90.94	90.85	97.10	99.59 (15/3/89)	90.85 (26/1/90)	105.4 (28/11/47)	50.53 (3/1/75)
Ordinary Share	1866.0	1864.0	1853.0	1863.9	1851.5	1667.6	2008.6 (5/9/89)	1447.8 (3/1/89)	2008.6 (5/9/89)	49.4 (26/6/40)
Gold Mines	349.3	358.0	364.5	369.6	370.9	167.1	371.5 (25/1/90)	154.7 (17/2/89)	734.7 (15/2/83)	43.5 (26/10/71)
FT-SE 100 Share	2345.8	2337.3	2322.0	2328.8	2314.5	2043.4	2463.7 (3/1/90)	1782.8 (3/1/89)	2463.7 (3/1/90)	986.9 (23/7/84)
Ord. Div. Yield	4.60	4.60	4.62	4.60	4.62	4.39				
Earning Yld %(full)	11.13	11.13	11.33	11.22	11.29	11.00				
P/E Ratio(Net)(☆)	10.67	10.67	10.77	10.79	10.73	11.03				
SEAQ Bargains(5pm)	27,442	26,711	25,903	27,369	29,453	32,162				
Equity Turnover(£m)†	-	1127.77	767.35	674.11	942.16	1607.74				
Equity Bargains†	-	28,593	26,504	26,804	29,544	42,593				
Shares Traded (ml)†	-	494.8	415.6	351.9	472.3	654.0				

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold mines 12/9/55. Basis 1000 FT-SE 100 31/12/83. ☆ Nil 10.82

Ordinary Share index, Hourly changes — Day's High 1875.6 — Day's Low 1864.7

Open	10 a.m.	11 a.m.	12 p.m.	1 p.m.	2 p.m.	3 p.m.	4 p.m.
1870.0	1875.9	1869.6	1871.3	1871.6	1870.6	1869.3	1865.3

FT-SE, Hourly changes — Day's High 2355.4 — Day's Low 2343.6

Open	10 a.m.	11 a.m.	12 p.m.	1 p.m.	2 p.m.	3 p.m.	4 p.m.
2346.5	2354.1	2348.4	2351.6	2352.0	2350.2	2349.1	2343.6

GILT EDGED ACTIVITY

Indices*	Jan 31	Jan 30
Gilt Edged Bargains	85.8	89.5
5 – Day average	94.6	97.2

*SE Activity 1974. †Excluding intra-market business & Overseas turnover. Calculation of the FT Indices of daily Equity Bargains and Equity Value and of the five-day averages of Equity Bargains and Equity Value, was discontinued on July 31. Closing values for July 28 available on request.
London report and latest Share index: Tel. 0898 123001.

TRADING VOLUME IN MAJOR STOCKS

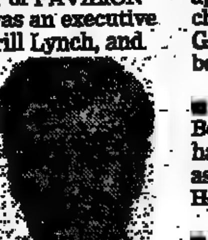
	Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change
ADT	1,000	188	+1	Comm. Union	3,300	513	+14	Lloyds Bank	3,700	299	+5	Sedgwick	3,800	295	-8
ASDA Group	3,200	111		Cookson	705	258	+3	LASMO	3,100	635	+6	Shell Transport	5,300	487	+3
Abbey National	2,300	186	+3	Courtaulds	288	385	+1	Lonrho	2,600	277	-2	Siebe	151	444	-3
Allied-Lyons	1,700	480	+1	Dalgety	719	380	+1	Lucas	441	640	-2	Slough Ests	232	312	-1
Amstrad	1,000	49		Dixons	2,300	128	-3	MB Group	338	217		Smith (W.H.) A	308	321	+4
Argyll Group	4,800	214	-2	Eng. China Clays	823	435	+6	MEPC	420	508	+6	Smith & Nephew	5,500	121½	+1
Ass. Brit. Foods	540	398	+4	Enterprise Oil	1,200	668	+5	Marks & Spencer	2,352	202½	+1½	SmKl Beecham	1,700	549	-2
BAA	870	392	-6	FKI	3,200	89	-1	Maxwell Comm.	1,200	212	+2	SmKl Beecham Units	42	2508	+20
BAT Inds.	3,900	809	+7	Ferranti	3,800	37		Mecca Leisure	2,100	165		Smiths Inds.	489	259	-2
BET	481	247		Fisons	1,600	330	-1	Midland Bank	1,000	386	-2	Standard Chart.	257	608	+3
BICC	394	456	+3	Gen. Accident	755	1168	+22	NatWest Bank	5,300	355	+5	Storehouse	980	112	-3
BOC	882	524	-6	General Elect.	6,300	231	-4	Next	3,300	65	+1	Sun Alliance	1,400	323	-2
BPB Inds.	217	231	+3	Glaxo	2,200	708	-5	Northern Foods	488	311	+1	Sun Life	35	1383	+8
BTR	2,200	439	+1½	Globe Inv.	655	184	+1½	Pearson	139	749	+1	T&N	140	207	+1
Barclays	2,655	586	+10	Glynwed Int.	[illegible]	326	-3	P & O	658	621	+6	TI Group	1,000	425	-2
Bass	736	1009	-1	Granada	1,800	334	-2	Pilkington	1,700	225		TSB	5,300	145	+2
Beazer	538	190	+2	Grand Met.	3,100	608	-9	Polly Peck Intl.	1,400	414	+8	Tarmac	2,200	342	+4
Berisford Int.	808	148	+3	GUS A	63	1025	+1	Prudential	705	228	+1	Tate & Lyle	6,400	312	+4
Blue Arrow	402	85½	-½	GRE	1,600	257	+1	RHM	565	438	+½	Taylor Woodrow	729	393	+2
Blue Circle	2,600	235	+1	GKN	1,000	428		RMC	676	865	+5	Tesco	1,700	200	
Boots	523	289		Guinness	1,900	565	+8	RTZ	2,100	608	-3	Thames Water	2,500	156	-1
Brit. & Comm.	2,900	72	-3	Hammerson 'A'	91	780	+4	Racal	6,700	218	+1	THORN EMI	274	754	-6
Brit. Aerospace	2,800	560	+17	Hanson	2,600	226		Racal Telecom	1,500	361	+6	Trafalgar House	856	340	
British Airways	808	201		Hanson Warrants	1,300	68½		Rank Org.	585	808	+8	Trusthouse Forte	2,800	284	
British Gas	11,900	226	+2	Harrisons Cros.	970	155	+3	Reckitt & Colman	33	1214	-12	Ultramar	1,430	379	-1
British Land	680	400	+6	Hawker Sidd.	1,000	870	-3	Redland	1,200	570	-1	Unigate	210	321	
BP	12,000	345	+4	Hillsdown	1,600	269	+2	Reed Intl.	718	484	+1	Unilever	2,200	675	+8
British Steel	5,700	132½	+½	IMI	861	222	+1	Reuters	1,300	895	+5	United Biscuits	1,100	342½	-1½
British Telecom	5,800	305½	+4½	ICI	2,000	1080		Rolls Royce	1,700	179		Utd. Newspapers	942	415	-1
Bunzl	153	108		Inchcape	1,000	272	-1	Rothmans	784	849	+9	Wellcome	1,000	700	-14
Burmah Oil	647	639	-2	Jaguar	0	849		Ryl Bk Scotland	1,000	203½	-½	Whitbread 'A'	1,700	403	+4
Burton	2,300	192	-3	Kingfisher	3,600	276	-6	Royal Insurance	2,200	523	-5	Williams Hldgs.	2,400	294	-3
Cable & Wire.	1,800	585	-6	Ladbroke	1,600	318	+2	STC	2,500	261	+5	Willis Faber	31	275	+1
Cadburys	2,300	360		Land Securities	927	601	+4	Saatchi	977	345	-3	Wimpey	969	284	+1
Calor Group	21	391		Laporte	105	813	-2	Sainsbury	1,800	287	+2				
Carlton Comms.	1,500	776	+8	Legal & General	500	418	+1	Scottish & New.	402	330	-1				
Coats Viyella	986	132	-2	Lloyds Abbey	358	319	+2	Sears	5,800	100	+1				

Based on trading volume for most Alpha securities dealt through the SEAQ system yesterday until 5 pm.

APPOINTMENTS

Finance man at Pavilion Leisure

■ Mr Anthony Canning-Jones (*pictured*) has been appointed finance director of PAVILION LEISURE. He was an executive director of Merrill Lynch, and will take over from Mr John Bailey who leaves after the annual meeting. Mr Christopher Burt has been appointed company secretary. He joins from EMI where he was legal adviser, company secretary and deputy business affairs director. Mr Anthony Shakesby has been appointed corporate planning executive. He was senior audit and business services manager with Price Waterhouse.



■ FIDELITY has appointed Mr Mike Nevill as executive director - broker sales, a new post. He was sales director at Prudential Holborn.

■ PREMIER FOODS GROUP has appointed Mr Keith Stott as managing director of J. Van Smirren, Boston, Lincs, a shellfish processing subsidiary. He was sales and marketing director of Wirral Seafoods.

■ Mr Robert F. Ehr has been appointed vice president and general manager of the Clearwater division, Florida, of SMITHS INDUSTRIES. He was general manager, communications manufacturing division, E-Systems.

■ The supervisory board of DEUTSCHE BANK has appointed Mr John A. Craven, chairman of Morgan Grenfell Group, as a full member of the board of managing directors.

■ ASSOCIATED LEISURE, Bedford, a Mecca company, has appointed Mr Rod Firth as assistant managing director. He was operations director.

■ Mr M.J. Barnwell has been appointed director, plastics division, MARTIN SHELTON GROUP.

■ Mr David Thompson has been appointed a vice president and partner of KORN/FERRY INTERNATIONAL, and managing director of Haymarket Consultants. He was managing director and founder of Bull Thompson and Associates.

■ Mr Phil Stamp has been promoted to manager, Europe, of PARKER HANNIFIN's instrumentation connectors division, Barnstaple.

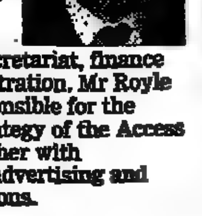
■ Mr Christopher Lewinton has joined the board of REED INTERNATIONAL as a non-executive director. He is chairman and chief executive of TI Group.

■ ALLIANCE & LEICESTER BUILDING SOCIETY has appointed Miss Frances Cairncross to its board of management. She is environment editor of The Economist.

■ Mr Eric Dudley Fountain has been appointed a non-executive director of GIBBS AND DANDY, Luton. He recently retired from Vauxhall Motors.

■ AARONSON BROS has appointed as directors Mr David Gould (finance), Mr Paul Feeney (sales and marketing), and Mr Keith Thornley (manufacturing operations).

■ ACCESS BRAND has appointed Mr Richard Jukes (*pictured*) as executive director, and Mr David Royle as marketing director, both on the main board. Mr Jukes, who has been with Access for 18 years, will be responsible for legal and trademark protection, company secretariat, finance and administration. Mr Royle will be responsible for the external strategy of the Access brand, together with marketing, advertising and public relations.



■ Mr Quinton Hazell, chairman of AEROSPACE ENGINEERING, retires on May 1, when he will be succeeded by Mr John Davis, deputy chairman. Mr Davis will continue as chief executive. Mr James Stanford has been appointed a non-executive director. He is executive chairman of the David Brown Corporation, and an adviser with Baring Brothers & Co.

■ MEYER INTERNATIONAL has appointed Mr Richard Jewson (*pictured*) as deputy chairman in addition to his present post as managing director. Sir Oscar DeVille is to continue as executive chairman for two years.

■ CAMPBELL FOODS, Orpington, has appointed Mr Douglas A. Lacy as group financial director. He will also be a director of Campbell's frozen food companies in Holland, Belgium and Ireland. Mr Lacy was financial director at General Foods.

■ ALLIED COLLOIDS has made the following appointments. Mr John Binnie, sales director, is promoted to deputy managing director. Mr Keith Harrison, production director, also becomes deputy managing director. Mr George McGrow joins the group board as sales director and Mr David Farrar is made research and technical director.

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Stock	Price £	+ or -	Yield Int.
Exch 11pc 1990‡‡	99¼xd	.....	[illegible]
Exch. 12½pc 1990	99¾	.....	12.5
Treas. 3pc 1990	97¾	.....	3.0
Treas 8¼pc 1987-90‡‡	98	.....	8.4
Treas. 8pc Cv 1990‡‡	97¾	.....	8.2
Treas. 10pcCv 1990	97	.....	13.3
Exch 2½pc 1990	93¾	+⅛	2.6
Treas 11¾pc 1991	97¾	.....	11.9
Funding 5¾pc '87-91‡‡	93¾	+⅛	6.1
Treas. 3pc 1991	90¾	+⅛	3.3
Treas 10pc Cv '91‡‡	96	.....	10.4
Exch. 11pc 1991	96¾	+⅛	11.4
Treas. 8pc 1991	91¾	+⅛	8.7
Treas 12¾pc 1992‡‡	99¾	+⅛	11.7
Treas 10pc 1992	95¾xd	+⅛	10.5
Treas. 8pc 1992‡‡	91¾	+⅛	8.7
Treas 10¼pc Cv 1992‡‡	96¾	+⅛	10.9
Treas. 3pc 1992	84¾	+⅛	3.5
Exch. 12¼pc '92	99¼xd	+⅛	12.3
Exch 13½pc 1992	102¼	+⅛	13.2
Treas 8¾pc 1993	89¾	+⅛	9.1
Treas 10pc 1993‡‡	94¾	+⅛	10.5
Treas 12½pc 1993‡‡	101¾	+⅛	12.3
Funding 6pc 1993‡‡	84¾	.....	9.0
Treas 13¾pc 1993‡‡	105¾	+⅛	13.0
Treas. 8½pc 1994	89¾	+⅛	9.5
Treas 14½pc 1994‡‡	108¾	+⅛	13.3
Exch 13½pc 1994	105¾	+⅛	12.8
Treas. 10pc Ln. 1994‡‡	94¾	+⅛	10.6
Exch. 12¼pc 1994	102¼xd	+⅛	12.2
Treas 9pc 1994‡‡	90¾	+⅛	9.9

Five to Fifteen Years

Stock	Price £	+ or -	Yield Int.
Treas 12pc 1995	101	+⅛	11.8
Exch 3pc Gas 90-95	75½	.....	3.9
Exch. 10¼pc 1995	94¾	+⅛	10.8
Treas 12¾pc 1995‡‡	105¾	+⅛	12.1
Treas. 14pc '96	109¾	+⅛	12.7
Treas. 9pc 1992-96‡‡	89¾	+⅛	10.0
Treas 15¼pc 1996‡‡	116¾	+⅛	13.1
Exch 13¼pc 1996‡‡	107¾	+⅛	12.3
Conversion 10pc 1996	93¾	+⅛	10.7
Treas 13¼pc 1997‡‡	108¾	+⅛	12.2
Exch 10½pc 1997	95¾xd	+⅛	10.9
Treas 8¾pc 1997‡‡	87¾xd	+⅛	9.9
Exch 15pc 1997	116¾	+⅛	12.8
Exch. 9¾pc 1998	92¾	+⅛	10.5
Treas 6¾pc 1995-98‡‡	78¾	+⅛	8.6
Treas. 15½pc '98‡‡	121¾	+⅛	12.7
Exch. 12pc 1998	103¾	+⅛	11.6
Treas 9½pc 1999‡‡	91¾	+⅛	10.3
Exch. 12¼pc 1999	[illegible]	+⅛	[illegible]
Treas. 10½pc 1999	95¾	+⅛	10.9
Conversion 10¼pc 1999	94¾	+⅛	10.8
Treas. 8½pc Ln 2000‡‡	85¾	+⅛	9.9
Conversion 9pc 2000‡‡	88¾xd	+⅛	10.1
Treas. 13pc 2000	116¾	+⅛	11.8
Treas 10pc 2001	93¾	+⅛	10.6
Treas. 14pc '98-01	112¾	+⅛	12.4
Conversion 9¾pc 2001	92¾	+⅛	10.6
Exch. 12pc '99-02	102¼	.....	11.6
Conversion 10pc 2002	93¾	+⅛	10.6
Treas 9¾pc 2002	92¾xd	+⅛	10.5
Exch. 9pc 2002	87¾	+⅛	10.3
Treas. 13¾pc 2000-03	114¾	+⅛	12.0
Treas 10pc 2003	94¾xd	+⅛	10.5
Treas. 11½pc 2001-04	101¾	+⅛	11.2
Treas. 10pc 2004	94¾	+⅛	10.5
Funding 3½pc '99-04	53¾	+⅛	6.5
Conversion 9½pc 2004	91¾	+⅛	10.3

Over Fifteen Years

Stock	Price £	+ or -	Yield Int.
Conversion 9½pc 2005	91¾	+⅛	10.3
Exch. 10½pc 2005	99¾	+⅛	10.5
Treas. 12½pc 2003-05	111¾	+⅛	11.1
Treas. 8pc 2002-06‡‡	80¾	+⅛	[illegible]
Treas. 11¾pc 2003-07	106¾	+⅛	11.0
Treas 8½pc 2007‡‡	85¾	+⅛	9.9
Treas. 13½pc '04-08	119¾	+⅛	[illegible]
Treas. 9pc 2008‡‡	89¾	+⅛	10.0
Treas. 9pc 2008 B	89¾	+⅛	10.0
Treas 8pc 2009	81¼	+⅛	9.8
Conv 9pc Ln 2011‡‡	89¾xd	+⅛	10.0
Treas. 5½pc 2008-12‡‡	60¾xd	+⅛	9.1
Treas. 7¾pc 2012-15‡‡	78¾xd	+⅛	9.8
Exch. 12pc '13-'17	115¾	+⅛	10.2

Undated

Stock	Price £	+ or -	Yield Int.
Consols 4pc	39¼	+⅛	10.2
War Loan 3½pc‡‡	34¾	+⅛	10.1
Conv. 3½pc '61 Aft.	60¾	+⅛	5.7
Treas. 3pc '66 Aft.	31¾	+⅛	9.6
Consols 2½pc	24¾	+⅛	10.1
Treas. 2½pc	24¾	+⅛	10.3

BRITISH FUNDS – Contd

Index-Linked

INT. BANK AND O'SEAS

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

FOREIGN BONDS & RAILS

AMERICANS

AMERICANS – Contd

CANADIANS

Continued on next page

LONDON SHARE SERVICE

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BANKS, HP & LEASING

1989/90 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
*303	216	ANZ SA1	[illegible]	+3	44c	2.4	7.3	9.7
171	134	[illegible]	186	+3	L7.7	2.7	5.5	7.6
*282	120½	Allied Irish Ord.	265	+1	068%	3.3	3.0	13.6
£13½	£11½	Algemene Fl.10	[illegible]	[illegible]	Q28%	2.0	7.3	6.9
*80	61	Anglo Irish	73	.....	[illegible]	2.7	6.0	10.0
81	57	Ansbacher (H.) 1p.	75	.....	2.0	–	3.6	–
£72¼	£38⅞	Bancaire Cie Fr100.	£61	+¼	Q12½%	–	2.1	–
£46½	£35¼	Banco Bilbao Viz.	£38¾	.....	Q35.7%	2.0	3.5	14.2
£39	£26⅝	Banco de Santander	£27½	.....	Q21%	2.4	2.9	14.3
*286	169	Bank Ireland Ir£1.	278	+4	[illegible]	3.2	4.3	9.2
£19½	£17½	Bank Leumi	£19½	.....	–	–	–	–
350	345	Bank Leumi (U.K.).	345	.....	†13.5	–	5.2	–
125	88	Bank Scotland	118	.....	†3.8	3.6	4.3	8.5
111¼	95½	Do. 9¼pc Irrd Pf	97¼	.....	9¼%	–	12.7	–
*67	49	Bank of Wales	54	.....	2.8	1.4	6.9	11.3
*588	404	Barclays £1	586	+10	†23.0	3.5	5.2	6.7
31	19	Benchmark 20p.	20	.....	1.63	1.0	10.8	11.5
363	285	Brown Shipley £1.	321	.....	†10.5	–	4.4	–
455	325	Cater Allen £1	415	.....	23.5	–	7.6	–
259	157	Chancery	174	.....	†8.0	2.8	6.1	7.7
£23	£14½	Commerzbk DM10	[illegible]	[illegible]	Q18%	–	3.0	–
*£29	£22¼	C'hgn. Hdk. Kr100	£26½	+¼	Q15%	–	5.2	–
£16⅞	£10⅛	Dai Ichi KBk Y50	£12½	.....	Q16%	8.6	0.3	42.3
*£314¼	£156¼	Deutsche Bk DM50.	£291¼	+2¼	Q24%	–	1.5	–
£22¼	£17½	Espirito Santo	£19¾	.....	Q75c	3.3	2.3	13.4
260	182	First Nat. Fin. 10p.	[illegible]	[illegible]	13.0	♦	7.4	♦
134	90	FNFC 6.3pc CvRedPrf	113	+2	6.3%	–	7.4	–
£16⅝	£13½	Fuji Bank Y50	£14½	.....	Q15.6%	4.2	0.2	–

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BUILDING, TIMBER, ROADS

BUILDING, TIMBER, ROADS – Contd

CHEMICALS, PLASTICS

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS – Contd

ENGINEERING

ENGINEERING – Contd

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS (Miscel.) – Contd

INSURANCES

LEISURE

LONDON SHARE SERVICE

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MOTORS, AIRCRAFT TRADES

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Contd

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRANSPORT

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS, FINANCE, LAND—Contd

[illegible]

Finance, Land, etc

[illegible]

WATER

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Contd

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

Finance

[illegible]

Australians

[illegible]

Tins

[illegible]

MINES—Contd

[illegible]

Miscellaneous

[illegible]

THIRD MARKET

[illegible]

1989/90 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
*35¼	1¼	Seragard Studios 1p y	1½	......	–	–	–	7.2
11	2½	Sports Connection 2p y	3½	......	–	–	–	3.9
50	28	Tavern Leis. 20p ...	35	......	♦	–	–	–
115	28	Tomorrows Leisure 20p y	99	......	–	–	–	33.9
113	35	UPL Group 10p ..... y	35	−5	‡2.75	1.9	4	6.6
150	128	Unit Group .... y	134	+2	5.0	3.3	5.0	7.6
100	66	Video Magic Leis. 1p y	89	......	W2.0	0.7	3.0	71.4
14	4	Vista Ents 5p ...... y	4½	......	–	–	–	–
40	15	Vizcaya Hldgs 5p .. y	18	......	–	–	–	–
46½	23	Whitegate Leisure 20p y	40	......	0.25	♦	0.8	♦
32½	10	Do. Wrrnts .... y	20	......	–	–	–	–
10¼	4½	Whites Group 1p ... y	4½	......	–	–	–	–

NOTES

Stock Exchange dealing classifications are indicated to the right of security names: α Alpha, β Beta, γ Gamma.

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 25 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock"
- * Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ‡‡ Tax-free to non-residents on application
- ♦ Figures or report awaited
- ♥ Not officially UK listed; dealings permitted under rule 535(4)(a)
- ● USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Not officially listed.
- ¶ Price at time of suspension
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress
- ♦ Not comparable
- ♦ Same interim; reduced final and/or reduced earnings indicated
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E usually provided.
- ‖ No par value

B.Fr. Belgian Francs. Fr. French Francs. ■ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Annualised dividend. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment; Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1988-89. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1989. K Dividend and yield based on prospectus or other official estimates for 1990. L Estimated annualised dividend, cover and P/E based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1988. N Dividend and yield based on prospectus or other official estimates for 1989-90. P Figures based on prospectus or other official estimates for 1987. Q Gross. R Forecast annualised dividend, cover and p/e based on prospectus or other official estimates. T Figures assumed. W Pro forma figures. Z Dividend total to date. Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xl ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p .... y	85	......
Craig & Rose £1 .. y	830	......
Finlay Pkg. 5p .... y	56	−2
Holt (Jos) 25p .... y	1340	+8

IRISH

Cap. 8½% Ln. 1991 ...	£96¾	......
9pc Cap Ln. 1996 ..	£95½	......
Fin. 13% 97/02 ..	£114	......
Arnotts	410	......
Carroll (P.J.) .... y	157	+2
Hall (R. & H.)	198	......
Helton Hldgs .... y	108	......
IRG	290	−5
United Drug	160xd	......

TRADITIONAL OPTIONS
3-month call rates

Industrials	p
Allied-Lyons	41
Amstrad	6½
Astec (BSR)	5¾
BAT	67
BOC Grp	44
BTR	37
Barclays	40
Blue Circle	20
Boots	23
Bowaters	39
Brit Aerospace	46
British Steel	9
Brit. Telecom	22
Cadburys	31
Charter Cons	42
Comm Union	40
Courtaulds	31
Eurotunnel	65
FKI	8
FNFC	22
Gen Accident	92
GEC	19
Glaxo	68
Grand Met	44
Guardian	19
GKN	33
Hanson	18
Hawker Sidd	55
ICI	90
Jaguar	85
Ladbroke	25
Legal & Gen	31
Lex Service	26
Lloyds Bank	21
Lucas Inds	54
Marks & Spencer	16
Midland Bk	26
Morgan Grenfell	38
Nat West Bk	23
P & O Dfd	31
Polly Peck	38
Racal Elect	20
RHM	39
Rank Org Ord	72
Reed Intnl	34
STC	25
Sears	9
SmKl. Beecham A	48
TI	38
TSB	9
Tesco	16
Thorn EMI	63
Trust Houses	23
T&N	16½
Unilever	57
Vickers	22
Wellcome	55

Property	
Brit Land	27
Control Secs	5
Land Securities	45
MEPC	45
Mountleigh	13

Oils	
Brit Petroleum	25
Burmah Oil	65
Charterhall	2½
Conroy Petlm	9
Premier	10½
Shell	37
Tuskar Res	12
Ultramar	28½

Mines	
Lonrho	23
RTZ	45

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £1050 per annum for each security.

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AUTHORISED UNIT TRUSTS

Abbey Unit Tst Mngrs (1000)H

[illegible]

Buckmaster Mangmt Co Ltd (1200)H

[illegible]

EFM Unit Tst Mngrs Ltd (1400)H

[illegible]

Gartmore Fund Managers – Contd.

[illegible]

Glenfriars Unit Tst Mngrs Ltd (0905)F

[illegible]

Lazard Unit Tst Mngrs Ltd (1200)F

[illegible]

Legal & General (U.T. Mgrs) Ltd (1200)H

[illegible]

Martin Jupiter Unit Tst Mngrs Ltd (0905)F

[illegible]

Metropolitan Unit Trust Mngrs Ltd (1000)F

[illegible]

Midland Unit Trusts Ltd (1200)F

[illegible]

Pearl Unit Trusts Ltd (1000)H

[illegible]

Pembroke Administration Ltd (1700)F

[illegible]

Perpetual Unit Tst Mngmt (1600)F

[illegible]

Schroder Unit Trusts Ltd – Contd.

[illegible]

Eagle Star Unit Mngrs Ltd (1000)H

[illegible]

GUIDE TO UNIT TRUST PRICING

[illegible]

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Thornton Unit Managers Ltd (1000)F
33 Cavendish Sq., London W1M 7HF 01-493 7262
Dealing 01-493 8545

	Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
American Opps	5	45.58	46.49	49.79	+1.04	1.08
(Accum Units)	5	46.90	48.05	51.24	+1.07	1.08
European Opps	5	69.42	69.75	74.39	+0.32	0.00
(Accum Units)	5	69.80	70.13	74.80	+0.32	0.00
Far Eastern Opps	5	137.87	137.98	147.17	-0.04	0.00
(Accum Units)	5	138.75	138.87	148.12	-0.05	0.00
Golden Opps	5	45.84	45.84xd	48.89	-1.01	0.00
(Accum Units)	5	47.15	47.15xd	50.29	-1.05	0.00
Intl Hi-Yield	5	57.40	57.81xd	61.65	+0.02	4.45
(Accum Units)	5	62.37	62.76xd	66.93	+0.03	4.45
Sanyo Japan Tst	5	73.79	73.97	78.89	-0.35	0.00
(Accum Units)	5	73.79	73.97	78.89	-0.35	0.00
Kangaroo	5	33.17	33.17	35.37	-0.09	1.49
(Accum Units)	5	33.36	33.36	35.57	-0.09	1.49
Oriental Income	5	33.95	34.01	36.27	-0.01	5.19
(Accum Units)	5	38.06	38.13	40.66	-0.01	5.19
Pacific Technology	5	58.47	58.47	62.36	+0.16	0.00
(Accum Units)	5	58.95	58.95	62.87	+0.16	0.00
Tiger	5	145.81	146.30	156.04	+0.05	0.72
(Accum Units)	5	148.08	148.58	158.48	+0.06	0.72
UK Hi-Yield	5	43.23	43.23	46.10	+0.22	4.94
(Accum Units)	5	49.42	49.42	52.71	+0.25	4.94
UK Opps	5	54.62	54.62	58.41	-0.12	1.98
(Accum Units)	5	59.23	59.23	63.34	-0.13	1.98

Three Counties Asset Mngmt Ltd (1430)F
Cuthbert House, Tower Rd, Washington NE37 2SH 091 415 3034

Balanced Portfolio	6	94.233	94.233	100.24	+0.04	4.00

Touche Remnant Unit Tst Mngt Ltd (1600)F
Mermaid Hse, 2 Puddle Dock, EC4 01-248 1250
4 Hourly Pricing—12 Noon Historic

TR American Grth	5¼	43.50	43.50	46.40	+0.58	0
TR Eur Sp Sits Acc	5¼	41.34	41.34	44.05	+0.23	0
TR Eur Sp Sits Inc	5¼	40.53	40.53	43.20	+0.24	0
TR General Growth	5¼	76.14	76.14xd	81.00	+0.56	2.74
TR Global Tech	5¼	68.33	68.33	72.80	-0.12	0
TR Income Growth	5¼	89.57	90.02xd	95.81	+0.78	4.35
TR Income Monthly	5¼	58.06	58.06	61.76	+0.29	6.79
TR Japan Growth	5¼	97.67	97.67	103.7	+0.90	0
TR Overseas Growth	5¼	66.75	66.75	71.18	+0.16	0

	Bid Price	Offer Price	+ or -	Yield Gross
J. Rothschild Fund Managers Ltd				
Intl Exempt	145.3	147.0	-11.4	2.42
Stewart Ivory & Co Ltd				
Saints PPP Jan 2	264.6	278.6	—	—
Closed to new business				
Thornton Unit Managers Ltd				
Managed Exempt Feb 1	102.42	108.42xd	-1.79	3.82
(Accum Units)	103.04	109.09xd	-1.81	3.82
Touche Remnant Unit Tst Mngt Ltd				
TR Exempt European	1097	1131	+26	2.61
TR Exempt Nth Amer	882	896	-22	3.73
TR Exempt Pac Basin	991	1004	-10	0

INSURANCES

	Bid Price	Offer Price	+ or -	Yield Gross
AA Friendly Society				
(Investment Mngt M & G Inv Mngt Ltd)				
AA Friendly Sy Jan 12	—	177.0	—	—
Abbey Life Assurance Co Ltd				
80 Holdenhurst Road, Bournemouth 0202 292373				
Prop. Ser. 1	301.4	317.3	+0.1	—
Equity Ser. 1	135.0	142.2	+1.5	—
Prop. Acc. Ser 2	464.6	489.1	—	—
Equity Ser 2	156.6	164.9	+1.7	—
Selective Acc	351.7	370.3	+2.4	—
Prop. Ser. 4	362.9	382.0	—	—
Equity Ser. 4	157.9	166.3	+1.4	—

	Bid Price	Offer Price	+ or -	Yield Gross
Laurentian Life plc—Contd.				
formerly Trident Life				
Life Funds				
Equity Ser 3 Acc	496.4	522.5	+3.8	—
Gtd Managed Acc	347.4	365.7	+2.0	—
Pension Funds				
Pens Equity	669.2	704.4	+5.4	—
Pens Managed	610.5	642.6	+4.4	—
Pens Gilt-Edge	380.7	400.7	+2.4	—
Pens Deposit	367.6	387.0	+0.8	—
Pens Property	561.4	590.9	+2.6	—
Swiss Bond	176.3	185.6	-0.3	—

	Bid Price	Offer Price	+ or -	Yield Gross
Merchant Investors Assurance Co Ltd — Contd.				
MI Intl Equity		399.1	+1.1	—
MI Intl Equity Pens		612.4	+2.2	—
MI International Fund		369.6	+0.7	—
MI Intl Fd Pens		540.2	+1.2	—
MI Nth American Equity Fund		134.5	+1.2	—
MI Nth Am Equity Pens		149.6	+1.8	—
MI Far East Equity Fund		337.2	+0.2	—
MI Far East Equity Pens		462.7	+0.4	—
MI Currency Fund		203.1	-0.1	—
MI Currency Fd Pens		260.9	-0.2	—
MI Index Linked		155.9	—	—

Continued on next page

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National Financial Management Corp PLC

National Mutual Life

National Provident Institution

Norwich Union Asset Management Ltd

Norwich Union Life Insurance Soc.

Pearl Assurance (Unit Funds) Ltd

Pioneer Mutual Insurance Co Ltd

Premium Life Assurance Co Ltd

Professional Life Assurance Co Ltd

Prolific Life & Pensions Ltd

Property Equity & Life Ass. Co

Providence Capitol Life Ass. Co Ltd

Provident Life Assoc Ltd

Provident Mutual Life Assc. Assn.

Prudential Assurance Co

Prudential Holborn Life Ltd

Prudential Holborn Pensions Ltd

Prudential Pensions Limited

Regency Life Assurance Co Ltd

Reliance Mutual

Royal Heritage Life Assurance Ltd

Royal Insurance Ltd

Royal Liver Assurance

Save & Prosper Group

Scottish Amicable

Scottish Equitable Life Assce. Soc.

Scottish Life Investments

Scottish Mutual Assurance Society

Scottish Mutual Investments

Scottish Provident Institution

Scottish Widows' Group

Shield Assurance Ltd

Skandia Life Assurance Co Ltd

Standard Life Assurance Company

Sun Alliance Group

Sun Life of Canada (UK) Ltd

Sun Life Unit Assurance Ltd

Swiss Life (UK) PLC

TSB Life Ltd

Target Life Assurance Co Ltd

Teachers' Assurance Company Ltd

Tunbridge Wells Equitable

UK Life Assurance Co Ltd

Tyndall

Wesleyan Assurance Society

Windsor Life Assur Co Ltd

Zurich Life Assurance Co Ltd

MANAGEMENT SERVICES

Shaw (Albert E.) & Co.

Sitlala Fund Managers Limited

South Yorks Investment Management

Tattersall Investment Mngt. Ltd

University Medical General Ltd.

J. D. Ward Financial Services Ltd

Westcourt Asset Management Ltd

OFFSHORE AND OVERSEAS

GUERNSEY (SIB RECOGNISED)

JERSEY (SIB RECOGNISED)

Royal Bank of Canada Funds

Barclays International Funds

Capital House Fund Mgrs (CI) Ltd

Gartmore Fund Managers International Ltd

John Govett (Channel Islands) Ltd

Hill Samuel Fund Mgrs (Jsy) Ltd

Lloyds Bank (CI) U/T Mgrs.

MIM Britannia International (Jersey) Ltd

Royal Trust Jsy Fd Mngt Ltd

TSB Trust Funds (CI)

IoM (SIB RECOGNISED)

LUXEMBOURG (SIB RECOGNISED)

Fleming Group

Foreign & Colonial Management Ltd

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SWITZERLAND (SIB RECOGNISED)

CANADA (SIB RECOGNISED)

GUERNSEY (**)

JERSEY (**)

ISLE OF MAN (**)

LUXEMBOURG (**)

DUBLIN (**)

OFFSHORE INSURANCES

OTHER OFFSHORE FUNDS

	Bid Price	Offer Price	+ or -	Yield Gross
Transworld Bond Trust				
NAV Feb 1	$11.12		+0.03	–
Tyndall International (Bermuda) Ltd				
American Special Sits	$41.87	43.97	+0.16	–
Capital Protection	$10.17	10.68	..	–
Commodity Feb 1	$25.98	27.28	....	–
Eurobond	$29.05	30.51	–0.17	–
Money Feb 1	$34.00	35.71	+0.01	6.88
Mortgage Feb 1	C$13.71	14.40		–
North American	$35.93	37.74	+0.81	–
Overseas	$29.57	31.06	–0.06	–
Pacific Gold	$5.74	6.04	+0.04	–
Tiger	$43.33	45.50	+0.01	–
US Pacific Stock Fund				
NAV Feb 1	$16.97		......	–
Unico Invest Fd Mgt Co SA Lux				
London & Continental Bankers Ltd				
Unico Invest. Fund	DM69.70	71.80	...	3.00
Unico Equity Fund	DM62.69	64.57	...	3.00
Union-Investment-Gesellschaft GmbH				
Unifonds	DM36.92	38.80	+0.60	–
Unirak	DM79.92	83.95	+0.10	–
Unirenta	DM34.43	35.50	–0.10	–
Viking Fund–SICAV				
‡NAV Jan 30 Ecu80.12				
Warburg Inv Mngmt (Isle of Man) Ltd				
Mercury 90:10 Trust (Sicav)				
Dollar Fd BOPUPs	$10.61	10.62	...	–
Dollar Fd OPUPs	$13.43	13.63	......	–
Sterling Fd BOPUPs	£10.72	10.73	..	–
Sterling Fd OPUPs	£14.59	14.80		–
DM Fd BOPUPs	DM10.27	10.28	.....	–
DM Fd OPUPs	DM13.18	13.37	...	–
Yen Fd BOPUPs	$8.37	8.38	.	–
Yen Fd OPUPs	$13.28	13.48	..	–
Wardley Investment Services Ltd				
Wardley S.E. Asia Tst	$12.36	13.12	..	0.84
Wells Fargo U.S. IT Fund				
NAV Jan 31		$9.53	...	–
Yamaichi Dynamic Mngt Co SA				
Advanced Tech		$27.03	..	–

Money Market Trust Funds

	Gross	Net	Gr Equiv CAR	Int Cr
Charities Aid Fndtn Money Mngmt Co Ltd				
48 Pembury Road, Tonbridge TN9 2JD			0732 770114	
Cafcash Deposit Fd	14.69	–	15.52	3-mth
The Charities Deposit Fund				
2 Fore Street, London EC2Y 5AQ			01-588 1815	
Deposit	14.80	–	15.64	3-Mth
Gartmore Money Management Ltd				
2-3 White Hart Yard, London SE1R 1NX			01-236 1425	
Call Fnd	14.75	11.53	15.81	6-Mth
7-day Fund	14.76	11.56	[illegible]	Mth
Special Fund	14.88	–	16.32	Mth
Dollar	6.87	5.30	7.32	3 Mth

Money Market Bank Accounts

	Gross	Net	Gr Equiv CAR	Int Cr
Aitken Hume Bank plc				
30 City Road, EC1Y 2AY			01-638 6070	
Treasury Acc	13.50	10.56	14.64	Qtr
Mth Int Chq £1,000-£4,999	13.50	10.56	14.77	Mth
Mth Int Chq £5,000-£49,999	14.00	10.95	15.35	Mth
Mth Int Chq £50,000+	14.50	11.35	[illegible]	Mth
Allied Trust Bank Ltd				
97-101 Cannon St, London, EC4N 5AD			01-629 6802	
DMNA (£2,001+)	14.50	11.35	15.94	Mth
HICA (£2,001+)	13.90	10.88	15.248	Mth
Bank of Ireland High Interest Cheque Acc				
36 Queen St, EC4R 1BN			01-625 7000	
2,000-9,999	13.738	10.750	14.922	Qtr
£10,000+	14.058	11.000	15.283	Qtr
Bank of Scotland				
38 Threadneedle St, EC2P 2EH			01 601 6746	
Money Mkt Cheque Acc	13.6	10.64	14.91	Mth
Barclays Capital Advantage Account				
94 St Paul's Churchyard EC4M 8EH			01-248 9155	
£10,000+	13.50	10.75	14.92	Qtr
Barclays Prime Account H.I.C.A.				
£25,000 and above	13.25	10.00	13.84	Qtr
£10,000 to £24,999	12.75	9.625	13.30	Qtr
£2,000-£9,999	12.5	9.375	12.95	Qtr
£500-£1,999	11.75	9.00	12.41	Qtr
Provincial Bank PLC				
30 Ashley Rd, Altrincham, Cheshire			061-928 9011	
H.I.C.A. (£1,000+)	14.125	11.06	15.45	Mth
Royal Bank of Scotland plc Premium Acc				
42 St Andrew Sq, Edinburgh EH2 2YE			031-228 5650	
£50,000+	13.93	10.90	15.14	Qtr
£25,000-£49,999	13.74	10.75	14.92	Qtr
£10,000-£24,999	13.55	10.60	14.71	Qtr
£2,500-£9,999	12.47	9.75	13.49	Qtr
Save & Prosper/Robert Fleming				
28 Western Rd, Romford RM1 3LB			0708 766966	
H.I.B.A.	13.25	10.37	14.56	Daily
Standard Property Investment PLC				
8 St Andrew Square, Edinburgh EH2 2PP			031 556 8235	
HICA	14.50	11.35	15.13	Yearly
Sterling Bank & Trust Ltd				
Abbey Gdns, 6 Abbey St, Reading RG1 3BA			0734 592543	
HIDA £2,500+	13.70	10.72	14.68	6-mth
TSB Bank plc (England & Wales)				
100 Lower Thames St, London EC3R 6AQ			01-623 6000	
HICA £1-£499	7.00	5.50	7.33	Yearly
£500-£1,999	9.50	7.50	10.00	Yearly
£2,000-£9,999	11.50	9.00	12.00	Yearly
£10,000-£24,999	11.75	9.30	12.40	Yearly
£25,000+	12.25	9.60	12.80	Yearly
Tyndall & Co Ltd				
29-33 Princess Victoria St, Bristol			0272 744720	
Demand Acc.	13.87	10.85	15.07	Qtr
HIMA	13.62	10.66	14.79	Qtr
HIMA £100,000+	13.87	10.85	15.07	Qtr
Client Plus Acc.	13.37	10.46	14.51	Qtr
J. Henry Schroder Wagg & Co Ltd				
Bilton Ctre, Northarbour Rd, Portsm'th			0705 372222	
Special Acc.	13.755	10.76	15.08	Mthly
£10,000 and above	14.00	10.96	15.37	Mthly
Western Trust High Interest Cheque Acc				
The Moneycentre, Plymouth PL1 1SE			0752 224141	
£25,000+	14.50	11.35	15.78	Qtr
£5,000-£24,999	14.25	11.15	15.50	Qtr
£1,000-£4,999	14.00	10.96	15.22	Qtr
Wimbledon & South West Finance Co Ltd				
114 Newgate St, London EC1 7AE			01-606 9485	
High Int Cheque Acc	14.50	11.35	15.79	Qtr

NOTES–Gross rate to those exempt from composite rate of tax. Net actual rate after deduction of CRT. Gr Equiv CAR. Gross equivalent to basic rate taxpayers–compounded annual rate. Int Cr Frequency interest credited.

UNIT TRUST NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % allow for all buying expenses. Prices of certain older insurance linked plans subject to capital gains tax on sales. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. z Previous day's price. ■ Guernsey gross. ∮ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ● Yield column shows annualised rates of NAV increase. xd ex dividend. (**) Funds not SIB recognised

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar soft ahead of data

THE MARKET awaits today's US employment data before taking a view on the dollar's immediate prospects. Dealers expect the dollar to weaken, with the D-Mark and sterling looking more attractive at present.

If there is a weak figure on US non-farm payrolls today it is likely to depress the dollar, since the market is looking for a rise of about 175,000 in January, compared with 142,000 in December. Even if the employment data are reasonably strong, there remains a suspicion that the US Federal Reserve may ease its monetary policy.

The outlook for the dollar remains negative, in the view of Mr Robert Thomas, an economist at Midland Montagu Research, as long as interest rates are more likely to decline in the US than elsewhere. He thought that the next Federal Open Market Committee meeting on February 6 is unlikely to sanction an immediate easing of monetary policy, but interest rates will probably fall by the summer. Mr Thomas felt that if interest rates are not reduced this year, the weakness in the US economy is likely to increase

It was noticeable yesterday that the foreign exchanges failed to react to comment by Mr Edward Kelly, a Federal Reserve Board Governor, that the rate of US inflation is too high and must be brought down over time. This suggests the market does not expect the Fed to be determined enough to reduce inflation at the cost of economic weakness and a possible recession.

President George Bush's offer to reduce US forces in Europe met with a mixed reception on the foreign exchanges. Some traders believed the news was good for the dollar, because it has the potential to reduce the US budget deficit, but others felt that less tension in Europe favoured the D-Mark.

In fairly quiet trading the dollar weakened, closing in London at DM1.6800, against DM1.6870 on Wednesday. The US currency also fell to SFr1.4975 from SFr1.5035; and to FFr5.7075 from FFr5.7300, but rose to Y144.85 from Y144.55. On Bank of England figures the dollar's index was unchanged at 67.0.

Sterling lacked new factors, but remained supported by high London interest rates. The pound gained ¼ cent to $1.6825 and rose to Y243.75 from Y242.75, but fell to DM2.8275 from DM2.8350; to SFr2.5200 from SFr2.5250; and to FFr9.6025 from FFr9.6275. Sterling's index rose 0.1 to 89.1.

The D-Mark was very firm against the yen, after breaking through resistance at Y86.00. It touched a peak of Y86.20 in Tokyo, and closed at Y86.09; in London the German currency rose to Y86.22 from Y85.68.

Among members of the European Monetary System, the lira weakened against the D-Mark at the Milan fixing. The Italian unit remained the strongest member of EMS, but all currencies stayed within their divergence limits.

£ IN NEW YORK

Feb.1	Latest	Previous Close
£ Spot	1.6825-1.6835	1.6770-1.6780
1 month	0.85-0.84pm	0.86-0.85pm
3 months	2.61-2.58pm	2.63-2.61pm
12 months	9.10-9.00pm	9.18-9.08pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

	Feb.1	Previous
8.30 am	88.9	89.1
9.00 am	88.9	89.1
10.00 am	88.9	89.0
11.00 am	89.0	89.0
Noon	89.0	89.1
1.00 pm	89.1	89.0
2.00 pm	89.0	89.0
3.00 pm	89.1	89.1
4.00 pm	89.1	89.0

CURRENCY RATES

Feb.1	Bank rate %	Special* Drawing Rights	European † Currency Unit
Sterling ‖	-	1.26947	1.38756
U.S Dollar	7	1.32569	1.21364
Canadian $	12.29	1.57162	1.44059
Austrian Sch.	6½	15.6950	14.3744
Belgian Franc	10½	46.6674	42.6383
Danish Krone	10½	8.61170	7.88747
Deutsche Mark	6.00	2.23044	2.04001
Neth Guilder	7.00	2.51597	2.29973
French Franc	10¼	7.57707	6.93051
Italian Lira	13½	1660.97	1515.90
Japanese Yen	4¼	191.084	175.563
Norway Krone	8	8.60175	7.88079
Spanish Peseta	-	144.131	131.632
Swedish Krona	9½	N/A	7.44570
Swiss Franc	6.00	1.97778	1.81561
Greek Drach	20½	208.414	191.367
Irish Punt	-	0.841390	0.769200

‖ Sterling quoted in terms of SDR and ECU per £.
† European Commission Calculations.
* All SDR rates are for Jan.31

CURRENCY MOVEMENTS

Feb.1	Bank of England Index	Morgan** Guaranty Changes %
Sterling	89.1	-22.3
U.S Dollar	67.0	-11.0
Canadian Dollar	102.3	-0.3
Austrian Schilling	109.9	+12.1
Belgian Franc	110.0	-3.3
Danish Krone	109.0	+3.5
Deutsche Mark	118.8	+25.0
Swiss Franc	108.4	+16.6
Guilder	114.6	+16.5
French Franc	103.7	-12.6
Lira	100.3	-18.8
Yen	128.8	+59.8

Morgan Guaranty changes: average 1980-1982=100 Bank of England Index (Base Average 1985=100) **Rates are for Jan.31

OTHER CURRENCIES

Feb.1	£	$
Argentina	2989.80-3076.05	1775.00-1825.00
Australia	2.1855-2.1870	1.2985-1.2995
Brazil	30.4655-30.5300	18.0850-18.1075
Finland	6.6575-6.6785	3.9600-3.9700
Greece	262.55-267.05	156.05-158.60
Hong Kong	13.1330-13.1465	7.8100-7.8120
Iran	115.40*	69.30*
Korea(Sth)	1142.55-1160.95	684.10-689.50
Kuwait	0.4880-0.4890	0.2905-0.2910
Luxembourg	59.00-59.10	35.05-35.15
Malaysia	4.5280-4.5395	2.6945-2.6975
Mexico	4539.95-4558.20	2695.00-2705.00
N. Zealand	2.8040-2.8090	1.6680-1.6705
Saudi Ar.	6.3000-6.3055	3.7500-3.7510
Singapore	3.1310-3.1385	1.8620-1.8650
S. Af (Cm)	4.2960-4.3075	2.5595-2.5610
S. Af (Fn)	5.6850-5.7835	3.3780-3.4365
Taiwan	43.90-44.00	26.10-26.15
U.A.E.	6.1690-6.1745	3.6720-3.6730

*Selling rate

EURO-CURRENCY INTEREST RATES

Feb 1	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	14 13/16-14 11/16	14 13/16-14¾	15 1/16-15	15 3/16-15 1/16	15 1/16-15	15-14 13/16
US Dollar	8 5/16-8 3/16	8¼-8⅛	8⅜-8¼	8⅜-8¼	8 5/16-8 3/16	8¼-8⅛
Can. Dollar	12½-12¼	12½-12¼	12⅝-12⅜	12⅜-12⅛	12 3/16-11 15/16	11¾-11½
D. Guilder	8½-8¼	8½-8¼	8⅝-8½	8¾-8⅝	8 15/16-8 13/16	8 15/16-8 13/16
Sw. Franc	9½-9¼	9½-9¼	9⅝-9½	9 11/16-9 9/16	9⅝-9½	9½-9⅜
Deutschmark	8-7¾	8-7¾	8 1/16-7 15/16	8⅜-8¼	8½-8⅜	8 11/16-8 9/16
Fr. Franc	10⅝-10½	10⅝-10½	10⅝-10½	11-10⅞	11⅛-11	11 3/16-11 1/16
Italian Lira	13-11	14-13	13¼-12¾	13¼-12¾	13¼-12¾	13⅜-13⅛
B. Fr. (Fin)	10⅝-10½	10⅝-10½	10⅝-10½	10⅝-10½	10¾-10⅝	10⅞-10¾
B. Fr. (Con)	10⅝-10½	10⅝-10½	10⅝-10½	10⅝-10½	10¾-10⅝	10⅞-10¾
Yen	6¾-6½	6⅝-6½	6¾-6⅝	7 1/16-6 15/16	7¼-7⅛	7⅜-7¼
D. Krone	12½-12	12½-12	12½-12	12½-12	12-11¾	11 13/16-11 9/16
Asian $Sing	8¼-8⅛	8 3/16-8 1/16	8⅜-8¼	8⅜-8¼	8 5/16-8 3/16	8¼-8⅛

Long term Eurodollars: two years 8¾-8⅝ per cent; three years 9-8⅞ per cent; four years 9⅛-9 per cent; five years 9 3/16-9 1/16 per cent nominal. Short term rates are call for US Dollars and Japanese Yen; others, two days' notice.

POUND SPOT- FORWARD AGAINST THE POUND

Feb.1	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.6775-1.6865	1.6820-1.6830	0.86-0.84cpm	6.06	2.73-2.70pm	6.45
Canada	1.9940-2.0025	1.9990-2.0000	0.34-0.25cpm	6.54	1.27-1.13pm	2.40
Netherlands	3.17½-3.19¼	3.18¼-3.19¼	1½-1¼cpm	5.64	5-4¾pm	6.04
Belgium	58.85-59.30	59.00-59.10	22-20cpm	4.27	70-59pm	4.37
Denmark	10.88¾-10.94¾	10.93-10.94	2¾-1¾orepm	2.54	8½-7¼pm	2.88
Ireland	1.0615-1.0695	1.0675-1.0685	0.30-0.25cpm	3.09	0.90-0.80pm	3.18
W. Germany	2.81¼-2.83¾	2.82½-2.83	1½-1¼pfpm	6.37	4¾-4½pm	6.54
Portugal	247.65-249.65	248.40-249.40	6-36cdis	-1.01	110-181dis	-2.34
Spain	181.90-183.20	182.40-182.70	10-1cpm	0.36	0-11dis	-0.12
Italy	2094¾-2104¾	2099¾-2100¾	4-2lirepm	1.71	13-8pm	2.00
Norway	10.88¾-10.94	10.91-10.92	3¾-2¾orepm	3.57	9¼-8¼pm	3.23
France	9.57¾-9.62½	9.59¾-9.60¾	3¾-3cpm	3.91	9¾-9¼pm	3.96
Sweden	10.29¾-10.34¾	10.30-10.31	N/A	N/A	N/A	N/A
Japan	242½-244¼	243¼-244¼	1⅝-1½ypm	7.69	4¾-4½pm	7.49
Austria	19.83-19.98	19.88-19.92	11¼-9¾gropm	6.37	32-28½pm	6.08
Switzerland	2.51¼-2.52¼	2.51¼-2.52¼	1¼-¾cpm	4.76	3¾-3pm	5.06
ECU	1.3820-1.3865	1.3855-1.3865	0.44-0.41cpm	3.68	1.30-1.25pm	3.68

Commercial rates taken towards the end of London trading. Belgian rate is convertible francs. Financial franc 59.00-59.10 Six-month forward dollar 5.17-5.12cpm 12 Month 9.20-9.10cpm

DOLLAR SPOT- FORWARD AGAINST THE DOLLAR

Feb.1	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.6775-1.6865	1.6820-1.6830	0.86-0.84cpm	6.06	2.73-2.70pm	6.45
Ireland†	1.5750-1.5840	1.5785-1.5795	0.41-0.36cpm	2.93	1.39-1.29pm	3.40
Canada	1.1845-1.1885	1.1855-1.1865	0.41-0.44cdis	-4.30	1.19-1.25dis	-4.12
Netherlands	1.8870-1.8985	1.8940-1.8950	0.05-0.07cdis	-0.38	0.18-0.23dis	-0.43
Belgium	34.95-35.25	35.05-35.15	4.00-7.00cdis	-1.88	16.00-21.00dis	-2.11
Denmark	6.47-6.51¼	6.49¾-6.50¼	1.80-2.00oredis	-3.51	5.65-6.15dis	-3.63
W. Germany	1.6730-1.6845	1.6795-1.6805	0.05-0.03pfpm	0.29	0.05-0.01pm	0.07
Portugal	147.80-148.15	147.80-147.90	80-95cdis	-7.09	305-330dis	-8.58
Spain	108.20-108.75	108.65-108.75	50-60cdis	-5.75	170-185dis	-6.50
Italy	1244-1251¼	1247¼-1248¼	4.00-5.00liredis	-4.32	13.00-15.00dis	-4.49
Norway	6.47¼-6.50¼	6.48¾-6.49	1.50-1.75oredis	-3.00	5.10-5.50dis	-3.26
France	5.68¾-5.72¼	5.70¾-5.71	1.02-1.09cdis	-2.22	3.62-3.76dis	-2.58
Sweden	6.12¼-6.14¾	6.12¼-6.12¾	N/A	N/A	N/A	N/A
Japan	144.35-145.05	144.80-144.90	0.20-0.18ypm	1.58	0.49-0.46pm	1.31
Austria	11.78¾-11.85¾	11.82¾-11.83¾	0.70gro pm-0.25grdis	-0.46	0.50pm-0.70dis	-0.20
Switzerland	1.4920-1.5025	1.4970-1.4980	0.15-0.18cdis	-1.32	0.50-0.55dis	-1.40
ECU	1.2110-1.2165	1.2135-1.2145	0.26-0.23cpm	2.42	0.85-0.81pm	2.74

Commercial rates taken towards the end of London trading. † UK, Ireland and ECU are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 35.05-35.15.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu Feb.1	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	42.1679	42.6383	+1.11	+1.11	±1.5508
Danish Krone	7.79845	7.88747	+1.14	+1.14	±1.6453
German D-Mark	2.04446	2.04001	-0.22	-0.22	±1.1762
French Franc	6.85684	6.93051	+1.07	+1.07	±1.3618
Dutch Guilder	2.30358	2.29973	-0.17	-0.17	±1.5272
Irish Punt	0.763159	0.769200	+0.79	+0.79	±1.6689
Italian Lira	1529.70	1515.90	-0.90	-0.90	±1.5162
Spanish Peseta	132.889	131.632	-0.95	-0.95	±4.2785

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Feb.1	£	$	DM	Yen	F Fr.	S Fr.	H Fl.	Lira	C $	B Fr.
£	1	1.683	2.828	243.8	9.603	2.520	3.188	2100	2.000	59.05
$	0.594	1	1.680	144.9	5.706	1.497	1.894	1248	1.188	35.09
DM	0.354	0.595	1	86.21	3.396	0.891	1.127	742.6	0.707	20.88
YEN	4.102	6.903	11.60	1000.	39.39	10.34	13.08	8614	8.203	242.2
F Fr.	1.041	1.753	2.945	253.9	10.	2.624	3.320	2187	2.083	61.49
S Fr.	0.397	0.668	1.122	96.75	3.811	1	1.265	833.3	0.794	23.43
H Fl.	0.314	0.528	0.887	76.47	3.012	0.790	1	658.7	0.627	18.52
Lira	0.476	0.801	1.347	116.1	4.573	1.200	1.518	1000.	0.952	28.12
C $	0.500	0.842	1.414	121.9	4.802	1.260	1.594	1050	1	29.53
B Fr.	1.693	2.850	4.789	412.9	16.26	4.268	5.399	3556	3.387	100.

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100.

FINANCIAL FUTURES AND OPTIONS

LIFFE LONG GILT FUTURES OPTIONS
£50,000 64ths of 100%

Strike Price	Calls-settlements Mar	Calls-settlements Jun	Puts-settlements Mar	Puts-settlements Jun
84	4-01	5-17	0-03	0-17
85	3-04	4-26	0-06	0-26
86	2-09	3-38	0-11	0-38
87	1-23	2-60	0-25	0-60
88	0-47	2-17	0-49	1-17
89	0-23	1-46	1-25	1-46
90	0-10	1-17	2-12	2-17
91	0-05	0-59	3-07	2-59

Estimated volume total, Calls 535 Puts 822
Previous day's open int. Calls 24358 Puts 13914

LIFFE US TREASURY BOND FUTURES OPTIONS
$100,000 64ths of 100%

Strike Price	Calls-settlements Mar	Calls-settlements Jun	Puts-settlements Mar	Puts-settlements Jun
91	3-12	3-46	0-08	0-52
92	2-17	2-65	0-13	1-05
93	1-28	2-22	0-24	1-28
94	0-51	1-50	0-47	1-56
95	0-25	1-21	1-21	2-27
96	0-12	0-62	2-08	3-03
97	0-05	0-43	3-02	3-49
98	0-04	0-30	4-00	4-36

Estimated volume total, Calls 740 Puts 371
Previous day's open int. Calls 8226 Puts 2806

LIFFE BUND FUTURES OPTIONS
DM250,000 points of 100%

Strike Price	Calls-settlements Mar	Calls-settlements Jun	Puts-settlements Mar	Puts-settlements Jun
8650	1.76	2.43	0.08	0.60
8700	1.33	2.08	0.15	0.75
8750	0.94	1.78	0.26	0.95
8800	0.62	1.49	0.44	1.16
8850	0.38	1.24	0.70	1.41
8900	0.22	1.02	1.04	1.69
8950	0.12	0.83	1.44	2.00
9000	0.06	0.67	1.88	2.34

Estimated volume total, Calls 2427 Puts 2545
Previous day's open int. Calls 38657 Puts 39006

LIFFE £/$ OPTIONS
£25,000 (cents per £1)

Strike Price	Calls-settlements Feb	Calls-settlements Mar	Puts-settlements Feb	Puts-settlements MAR
145	23.30	23.30	0	0
150	18.30	18.30	0	0.02
155	13.30	13.30	0	0.13
160	8.30	8.30	0.06	0.63
165	3.57	3.99	0.69	2.02
170	0.93	1.68	3.06	4.71
175	0.12	0.54	7.25	8.57
180	0.01		12.14	

Estimated volume total, Calls 0 Puts 0
Previous day's open int. Calls 85 Puts 1

LIFFE EURODOLLAR OPTIONS
$1m points of 100%

Strike Price	Calls-settlements Mar	Calls-settlements Jun	Puts-settlements Mar	Puts-settlements Jun
9075	0.90	0.94	0	0.07
9100	0.66	0.73	0.01	0.11
9125	0.42	0.54	0.02	0.17
9150	0.22	0.38	0.07	0.26
9175	0.08	0.25	0.18	0.38
9200	0.02	0.15	0.37	0.53
9225	0.01	0.09	0.61	0.72
9250	0	0.05	0.85	0.93

Estimated volume total, Calls 150 Puts 200
Previous day's open int. Calls 5641 Puts 7705

LIFFE SHORT STERLING OPTIONS
£500,000 points of 100%

Strike Price	Calls-settlements Mar	Calls-settlements Jun	Puts-settlements Mar	Puts-settlements Jun
8425	0.81	1.41	0.02	0.07
8450	0.57	1.19	0.03	0.10
8475	0.36	0.97	0.07	0.13
8500	0.17	0.77	0.13	0.18
8525	0.09	0.59	0.30	0.25
8550	0.04	0.43	0.50	0.34
8575	0.02	0.32	0.73	0.48
8600	0.01	0.25	0.97	0.64

Estimated volume total, Calls 1209 Puts 605
Previous day's open int. Calls 55697 Puts 25029

LONDON (LIFFE)

20-YEAR 9% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev.
Mar	87-31	88-08	87-24	87-28
Jun	89-00	89-06	89-06	88-30
Sep				

Estimated volume 16622 (22586)
Previous day's open int. 37352 (36620)

US TREASURY BONDS 8%
$100,000 32nds of 100%

[illegible]

6% NOTIONAL GERMAN GOVT. BOND

[illegible]

6% NOTIONAL LONG TERM JAPANESE GOVT. BOND

[illegible]

THREE MONTH STERLING

[illegible]

THREE MONTH EURODOLLAR

[illegible]

THREE MONTH EUROMARK

[illegible]

THREE MONTH ECU

[illegible]

POUND - $ (FOREIGN EXCHANGE)

[illegible]

	Close	High	Low	Prev.
Mar	1.6678	1.6700	1.6668	1.6640
Jun	1.6484	1.6440	1.6436	1.6406
Sep	-	1.6230	-	1.6178

FT-SE 100 INDEX
£25 per full index point

	Close	High	Low	Prev.
Mar	2362.0	2377.0	2357.0	2356.0
Jun	2405.5	2412.0	2410.0	2399.0
Sep	2450.0	2456.0	2456.0	2443.0

Estimated volume 3297 (4813)
Previous day's open int. 21939 (22301)

CHICAGO

U.S. TREASURY BONDS (CBT) 8%
$100,000 32nds of 100%

	Latest	High	Low	Prev.
Mar	94-13	94-27	94-05	94-08
Jun	94-07	94-12	94-00	94-02
Sep	94-02	94-07	93-28	93-29
Dec	93-27	94-00	93-22	93-23
Mar	93-19	93-20	93-16	93-16
Jun	-	-	-	93-07
Sep	-	-	-	-
Dec	-	-	-	92-24
Mar	-	-	-	92-17
Jun	-	-	-	92-10
Sep	-	-	-	92-03

U.S. TREASURY BILLS (IMM)

[illegible]

STANDARD & POORS 500 INDEX

[illegible]

SWISS FRANC (IMM)

[illegible]

PHILADELPHIA SE £/$ OPTIONS

[illegible]

JAPANESE YEN (IMM)
Y12.5m $ per Y100

	Latest	High	Low	Prev.
Mar	0.6927	0.6925	0.6908	0.6939
Jun	0.6929	0.6942	0.6929	0.6957
Sep	-	-	-	0.6977

DEUTSCHE MARK (IMM)
DM125,000 $ per DM

	Latest	High	Low	Prev.
Mar	0.5946	0.5950	0.5936	0.5939

[illegible]

THREE-MONTH EURODOLLAR (IMM)

[illegible]

10 YEAR 10% NATIONAL FRENCH BOND (MATIF) FUTURES

[illegible]

OPTION ON LONG-TERM FRENCH BOND (MATIF)

[illegible]

THREE-MONTH PIBOR FUTURES (MATIF)

[illegible]

	Open	Close	Change	High	Low	Yield	Open int.
March	88.94	88.92	+0.05	88.96	88.89	11.08	9,332
June	89.04	89.05	+0.06	89.06	89.03	10.95	6,239
September	89.23	89.28	+0.09	89.28	89.22	10.72	1,363
December	89.42	89.44	+0.04	89.44	89.42	10.56	154

Estimated volume 4,212 Total Open Interest 17,088

CAC-40 FUTURES (MATIF)
Stock Index

	Open	Close	Change	High	Low	Open Int
February	1907.0	1888.0	+1.0	1907.0	1887.0	5,166
March	1899.0	1890.0	+1.0	1900.0	1890.0	731
April	1905.0	1894.5	-	1905.0	1894.0	-
June	-	-	-	-	-	17

Estimated volume 4,253 Total Open Interest 5,914

BASE LENDING RATES

	%		%		%
ABN Bank	15	Co-operative Bank	*15	NatWestminster	15
Adam & Company	15	Coutts & Co	15	Northern Bank Ltd	15
Allied Trust Bank	15	Cyprus Popular Bk	15	Norwich Gen. Trust	15
Allied Irish Bank	15	Dunbar Bank PLC	15	Nykredit Mortgage Bank	15½
● Henry Ansbacher	15	Duncan Lawrie	15	PRIVATbanken Limited	15
Associates Cap Corp	14	Equatorial Bank plc	15	Provincial Bank PLC	16
● B & C Merchant Bank	15	Exeter Trust Ltd	15½	Roxburghe G'rantee	15½
Bank of Baroda	15	Financial & Gen. Bank	15	Royal Bk of Scotland	15
Banco Bilbao Vizcaya	15	First National Bank Plc	16	Royal Trust Bank	15
Bank Hapoalim	15	● Robert Fleming & Co	15	● Smith & Williamson Secs.	15
Bank Credit & Comm.	15	Robert Fraser & Ptrs.	15½	Standard Chartered	15
Bank of Cyprus	15	Girobank	15	TSB	15
Bank of Ireland	15	● Guinness Mahon	15	● United Bk of Kuwait	15
Bank of India	15	HFC Bank plc	15	United Mizrahi Bank	15
Bank of Scotland	15	● Hambros Bank	15	Unity Trust Bank Plc	15
Banque Belge Ltd	15	Hampshire Trust Plc	15½	Western Trust	15
Barclays Bank	15	Heritable & Gen Inv Bnk	15	Westpac Bank Corp	15
Benchmark Bank PLC	15	● Hill Samuel	§15	Whiteaway Laidlaw	15
Brit Bk of Mid East	15	C. Hoare & Co	15	Yorkshire Bank	15
● Brown Shipley	15	Hongkong & Shangh	15		
CL Bank Nederland	15	● Leopold Joseph & Sons	15		
● Charterhouse Bank	15	Lloyds Bank	15		
Citibank NA	15	Meghraj Bank Ltd	15		
City Merchants Bank	15	McDonnell Douglas Bnk	15		
Clydesdale Bank	15	Midland Bank	15		
Comm Bk N East	15	Mount Banking	15		
		Nat Bk of Kuwait	15		

● Members of British Merchant Banking & Securities Houses Association. * Deposit now 5.9% Sasrvise 8.5%. Top Tier-£10,000+ instant access 12.8% § Mortgage base rate. § Demand deposit 9%. Mortgage 15.2% - 15.95%

MONEY MARKETS

London rates steady

INTEREST RATES were steady in London yesterday. Trading lacked incentives, with no economic news likely to move the market expected until the second half of the month.

Three-month sterling interbank was unchanged at 15 3/16-15 1/16 per cent. There was a slight firming of 12-month money. It was quoted at 15-14 13/16 per cent against at 14 31/32-14 27/32 on Wednesday.

Trading in short sterling remained subdued on the Liffe futures market.

UK clearing bank base lending rate 15 per cent from October 5

As speculation has faded that there will be any change in UK bank base rates before delivery of the March contract, most volume has moved into June delivery. This contract opened unchanged at 85.64 and traded within a fairly narrow range of 85.67 to 85.59, before closing at the day's low.

The Bank of England initially forecast a day-to-day credit shortage of £200m on the money market, but revised this to £350m in the afternoon. Total help of £269m was provided. The authorities did not operate in the market before lunch; in the afternoon the central bank bought £249m bills, by way of £13m Treasury bills in band 2 at 14⅞ per cent and £236m bank bills in band 2 at 14⅞ per cent. Late assistance of around £20m was also provided.

Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills drained £223m, with a rise in the note circulation absorbing £80m and bank balances below target £170m.

In Frankfurt call money returned to a normal trading level, after falling sharply on Wednesday as banks' reserve holdings with the Bundesbank remained above the level necessary to meet January's average requirement of DM60.3bn. The average for the first 30 days of the month was DM60.7bn. Call money touched 1 per cent in places on Wednesday but moved up to 7.85 per cent yesterday. As expected the Bundesbank's council meeting left credit policies unchanged. The West German discount rate remains at 6 per cent and the Lombard emergency financing rate at 8 per cent.

In Amsterdam the Dutch Central Bank left its rate for special advances unchanged at at 8.3 per cent when offering seven-day funds to the domestic money market. The new facility will replace Fl 1.402bn of eight-day special advances, expiring today.

FT LONDON INTERBANK FIXING

(11.00 a.m. Feb.1) 3 months US dollars		6 months US Dollars	
bid 8¼	offer 8⅜	bid 8 5/16	offer 8 7/16

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted to the market by five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque National de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	10
Broker loan rate	9¾
Fed.funds	8¼
Fed.funds at intervention	-

Treasury Bills and Bonds

One month	7.34	Three year	8.36
Two month	7.86	Four year	8.38
Three month	8.02	Five year	8.38
Six month	8.14	Seven year	8.41
One year	8.10	10-year	8.47
Two year	8.30	30-year	8.47

Feb 1	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	7.80-7.90	7.35-7.45	7.75-7.85	7.95-8.10	8.30-8.45	8.00
Paris	-	-	-	-	-	9.50
Zurich	8⅞-9⅛	9⅛-9¼	-	9⅛-9¼	-	-
Amsterdam	8.31-8.44	8.55-8.65	-	8.68-8.78	-	-
Tokyo	6 9/16-6½	6 13/16-6 11/16	-	6 13/16-7	-	-
Milan	12¾-12½	13¼-13⅛	-	13¼-13⅝	-	-
Brussels	10.75	10⅞-10⅝	-	10⅝-10 9/16	-	-
Dublin	11 13/16-11 15/16	11 13/16-12 1/16	11 15/16-12 1/16	12-12⅛	11 15/16-12 1/16	-

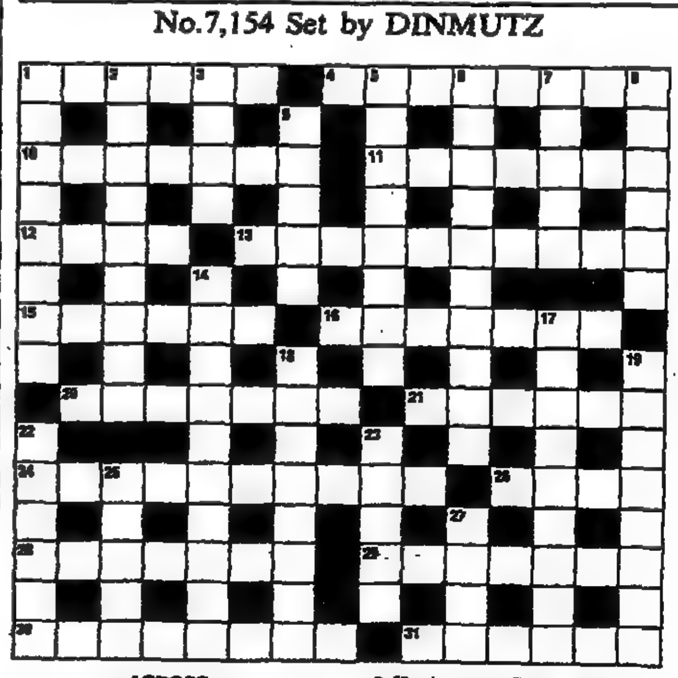
LONDON MONEY RATES

Feb 1	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
Interbank Offer	15	15	15 1/16	15 3/16	15 3/16	15
Interbank Bid	13	14 13/16	15	15 1/16	15 1/16	14⅞
Sterling CDs	-	-	15 1/16	15⅛	15	14 13/16
Local Authority Deps	14 13/16	14 13/16	15	15⅛	15	14⅞
Local Authority Bonds	-	-	-	-	-	-
Discount Mkt Deps	14⅞	14⅞	14⅞	14⅞	-	-
Company Deposits	-	-	15 1/16	15⅛	15⅛	14 13/16
Finance House Deposits	-	-	15⅛	15⅛	15 1/16	15
Treasury Bills (Buy)	-	-	14 13/16	14⅞	-	-
Bank Bills (Buy)	-	-	14⅞	14 13/16	14⅜	-
Fine Trade Bills (Buy)	-	-	15⅛	15⅛	14 13/16	-
Dollar CDs	-	-	8.25	8.30	8.35	8.52
SDR Linked Dep. Offer	-	-	8⅞	9⅛	9¼	9¼
SDR Linked Dep. Bid	-	-	8¾	9	9⅛	9⅛
ECU Linked Dep. Offer	-	-	10⅞	11⅛	11⅜	11⅜
ECU Linked Dep. Bid	-	-	10¾	11	11¼	11¼

Treasury Bills (sell): one-month 14 13/16 per cent; three months 14 13/16 per cent; Bank Bills (sell): one-month 14 13/16 per cent; three months 14¾ per cent; Treasury Bills; Average tender rate of discount 14.4529 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day January.31, 1990. Agreed rates for period Februay.26 1990 to March.25, 1990, Scheme I: 15.89 p.c., Schemes II & III: 16.43 p.c. Reference rate for period Dec.30,1989 to January.31, 1990, Scheme IV&V: 15.199 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 15½ from January 1, 1990. Bank Deposit Rates for sums at seven days notice 4 per cent. Certificates of Tax Deposit (Series 6); Deposit £100,000 and over held under one month 11½ per cent; one-three months 13 per cent; three-six months 13 per cent; six-nine months 13 per cent; nine-twelve months 13 per cent. Under £100,000 11½ per cent from Oct 9,1989. Deposits withdrawn for cash 5 per cent.

CROSSWORD

No.7,154 Set by DINMUTZ



ACROSS

1 Is able, on the rocks, to let oneself down (6)
4 Goes for profit (8)
10 Sort of gloomy old vessel fitted with modern aerial? (7)
11 One engaged for a long time in Reading, say (7)
12 Bound, we hear, to be transported (4)
13 Fitting lamp so, X-ray is produced (10)
15 Orders English dictionaries (shorter edition) (6)
16 Dirt caught in shoe? (7)
20 High and dry in Stamford Bridge, for example (7)
21 Drives the services (6)
24 Extremely colourful butterflies (6-4)
26 Ruin a French party (4)
28 Love rising, perhaps, in these Italian coves? (7)
29 Ends of some of the better ministers (7)
30 Example of archaeological work in Parma, it turns out (8)
31 Falcon Arthur kept in a tree (6)

DOWN

1 Supplier of breakfast food to HM the King (8)
2 Very strong sticking-plaster (9)
3 I twice get the bird (4)
5 Abuse of salesman with fish (8)
6 Having an affair, creating a commotion (8,2)
7 Poems about site of mineral springs (5)
8 Stretch one's legs, even on street? (6)
9 Carbon accumulation is reduced (5)
14 Nelson, for example, in fort (10)
17 Rainbow over Paris, nice clear sort (3-2-4)
18 What goes in a capital night out? (8)
19 Tongue of schoolboy eating last of raspberries (8)
22 Spin observed at start of play (4,2)
23 Identifies flaws (5)
25 Heat from sausage with head bitten off (5)
27 Fare from France (British Rail, that is) (4)

Solution to Puzzle No.7,153

WORLD STOCK MARKETS

AUSTRIA — BELGIUM/LUXEMBOURG — DENMARK — FINLAND — FRANCE — FRANCE (continued) — GERMANY — GERMANY (continued) — ITALY — ITALY (continued) — NETHERLANDS — NORWAY — SPAIN — SWEDEN — SWITZERLAND — SOUTH AFRICA — JAPAN — AUSTRALIA — AUSTRALIA (continued) — HONG KONG — MALAYSIA — SINGAPORE

[illegible]

NOTES – Prices on this page are as quoted on the individual exchanges and are last traded prices. [illegible]

CANADA

TORONTO
2pm prices February 1

Quotations in cents unless marked $.

[illegible]

f—No voting rights or restricted voting rights.

INDICES

NEW YORK

DOW JONES	Jan 31	Jan 30	Jan 29	Jan 26	1989/90 HIGH	1989/90 LOW	Since compilation HIGH	Since compilation LOW
‡Industrials	2590.54	2543.24	2553.38	2559.23	2810.15 (2/1/90)	2144.64 (3/1/89)	2810.15 (2/1/90)	41.22 (2/7/32)
Home Bonds	90.95	90.82	91.20	91.37	94.15 (2/8/89)	87.35 (23/3/89)	—	—
Transport	1045.87	1031.83	1074.50	1101.17	1532.01 (5/9/89)	959.95 (3/1/89)	1532.01 (5/9/89)	12.32 (8/7/32)
Utilities	223.65	218.69	218.44	218.06	236.23 (2/1/90)	181.84 (24/2/89)	236.23 (2/1/90)	10.50 (8/4/32)

‡Day's High 2600.90 (2576.13) Low 2546.85 (2513.06)

STANDARD AND POOR'S	Jan 31	Jan 30	Jan 29	Jan 26	1989/90 HIGH	1989/90 LOW	Since compilation HIGH	Since compilation LOW
Composite ‡	329.07	322.98	325.20	325.80	359.80 (9/10/89)	275.31 (3/1/89)	359.80 (9/10/89)	4.40 (1/6/32)
Industrials	378.69	371.92	374.31	374.58	411.20 (2/1/90)	318.66 (3/1/89)	411.20 (2/1/90)	3.62 (21/6/32)
Financial	27.93	27.31	27.63	27.86	35.24 (9/10/89)	24.30 (3/1/89)	35.24 (9/10/89)	8.64 (1/10/74)
NYSE Composite	181.58	178.43	179.73	180.21	199.34 (9/10/89)	154.98 (3/1/89)	199.34 (9/10/89)	4.46 (25/4/42)
Amex Mkt. Value	350.07	345.50	349.54	350.87	397.03 (10/10/89)	305.24 (3/1/89)	397.03 (10/10/89)	29.31 (9/12/72)
NASDAQ Composite	415.81	410.72	418.11	421.33	485.73 (9/10/89)	378.56 (3/1/89)	485.73 (9/10/89)	54.87 (31/10/72)

	Jan 26	Jan 19	Jan 12	year ago (approx.)
Dow Industrial Div. Yield	4.20	3.99	3.96	3.46
	Jan 24	Jan 17	Jan 10	year ago (approx.)
S & P Industrial div. yield	3.11	3.03	2.94	3.12
S & P Indl. P/E ratio	14.09	14.39	14.88	13.40

NEW YORK ACTIVE STOCKS

Wednesday	Stocks traded	Closing price	Change on day
Occ Pete	6,303,400	26⅝	—
Bank New Eng	2,851,600	4⅜	+ ⅛
A T & T	2,847,[illegible]	39	+ 1¼
Chase Man	2,831,800	30⅜	+ ⅜
Philip Morris	2,508,[illegible]	37⅞	+ ⅞
IBM	2,110,900	98½	+ 1¼
Southern	1,694,800	27	+ ½
Gen Electric	1,580,800	62¼	+ ⅛
Dow Chem	1,572,800	63⅞	− 1⅞
Fannie Mae	1,570,900	31¼	+ 2

TRADING ACTIVITY

† Volume (Millions)	Jan 31	Jan 30	Jan 29
New York	190.285	184.981	150.770
Amex	11.9695	14.867	12.780
NASDAQ	147.997	160.160	118.590
Issues Traded	1,963	1,974	1,942
Rises	1,107	[illegible]	538
Falls	445	1,150	947
Unchanged	411	427	[illegible]
New Highs	8	9	10
New Lows	98	199	144

CANADA

TORONTO	Jan 30	Jan 29	Jan 28	1989/90 HIGH	1989/90 LOW
Metals & Minerals	3057.12	3048.70	3056.64	3064.41	3919.2 (1/9/89)	3048.70 (30/1/90)
Composite	3704.42	3707.80	3722.52	3733.72	4037.8 (6/10/89)	3350.5 (6/1/89)
MONTREAL Portfolio	1871.06	1864.30	1875.79	1876.80	2069.68 (10/10/89)	1677.48 (3/1/89)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poor's—10; and Toronto Composite and Metals—1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds.‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable.

	Feb 1	Jan 31	Jan 30	Jan 29	1989/90 HIGH	1989/90 LOW
AUSTRALIA						
All Ordinaries (1/1/80)	1670.9	1677.0	1695.8	(c)	1781.8 (29/8/89)	1412.9 (7/4/89)
All Mining (1/1/80)	837.9	846.3	859.4	(c)	875.1 (29/8/89)	652.6 (7/4/89)
AUSTRIA						
Credit Aktien (30/12/84)	587.27	581.38	579.51	574.59	587.27 (1/2/90)	219.5 (2/1/89)
BELGIUM						
Brussels SE (1/1/80)	6226.46	(u)	6259.76	6248.50	6805.28 (26/9/89)	5619.30 (4/1/89)
DENMARK						
Copenhagen SE (3/1/83)	373.55	371.07	366.34	362.65	374.24 (18/1/90)	275.49 (27/2/89)
FINLAND						
Unitas General (1975)	(u)	663.4	668.8	664.8	815.8 (18/4/89)	598.8 (23/11/89)
FRANCE						
CAC General (31/12/82)	520.83	519.20	524.31	520.70	561.6 (11/10/89)	417.9 (4/1/89)
CAC 40 (31/12/87)	1895.53	1882.88	1892.03	1904.71	2006.42 (4/1/90)	1525.38 (27/2/89)
GERMANY						
FAZ Aktien (31/12/58)	774.10	761.48	758.64	758.18	776.71 (12/1/90)	535.78 (27/2/89)
Commerzbank (1/12/53)	2274.4	2237.5	2230.1	2229.2	2291.3 (3/1/90)	1595.7 (27/2/89)
DAX (30/12/87)	1858.08	1822.78	1812.90	1811.55	1869.66 (3/1/90)	1271.70 (23/2/89)
HONG KONG						
Hang Seng Bank (31/7/64)	2738.24	2751.60	2760.80	(c)	3309.64 (15/5/89)	2093.61 (5/6/89)
IRELAND						
ISEQ Overall (4/1/88)	1859.11	1837.46	1833.97	1843.99	1893.10 (22/1/90)	1360.64 (10/1/89)
ITALY						
Banca Com. Ital. (1972)	684.27	682.76	679.99	684.67	734.84 (31/8/89)	577.49 (28/2/89)
JAPAN						
Nikkei (16/5/49)	37206.42	37188.95	37215.67	37173.70	38915.87 (29/12/89)	30183.79 (5/1/89)
Tokyo SE (Topix) (4/1/68)	2754.09	2737.57	2743.22	2736.76	2884.80 (18/12/89)	2366.91 (6/1/89)
2nd Section (4/1/68)	4116.53	4088.33	4075.69	4046.49	4116.53 (1/2/90)	2774.38 (27/3/89)
MALAYSIA						
KLSE Composite (4/4/86)	(c)	570.21	(c)	(c)	592.90 (11/1/90)	357.31 (3/1/89)
NETHERLANDS						
CBS Ttl.Rtn.Gen.(End 1983)	254.1	252.7	252.4	249.3	272.7 (21/9/89)	208.3 (3/1/89)
CBS All Shr (End 1983)	194.9	193.8	193.6	191.2	210.5 (8/9/89)	166.7 (1/3/89)
NORWAY						
Oslo SE (2/1/83)	776.36	759.85	755.80	751.72	776.36 (1/2/90)	467.17 (2/1/89)
PHILIPPINES						
Manila Comp (2/1/85)	1043.28	1048.93	1063.64	1065.92	1396.26 (20/11/89)	804.62 (6/2/89)
SINGAPORE						
SES All-Singapore (2/4/75)	432.80	425.16	424.46	(c)	433.24 (11/1/90)	300.07 (4/1/89)
SOUTH AFRICA						
JSE Gold (28/9/78)	2178.0	2184.0	2219.0	2235.0	2254.0 (12/12/89)	1291.0 (15/2/89)
JSE Industrial (28/9/78)	2934.0	2923.0	2927.0	2940.0	3023.0 (15/1/90)	1961.0 (3/1/89)
SOUTH KOREA**						
Korea Comp Ex. (4/1/80)	885.85	896.16	888.47	897.32	1007.80 (3/4/89)	844.75 (11/12/89)
SPAIN						
Madrid SE (30/12/85)	281.74	278.92	279.49	277.85	328.93 (13/9/89)	268.61 (1/3/89)
SWEDEN						
Jacobson & P. (31/12/56)	(u)	(u)	(u)	(u)	4660.3 (16/8/89)	3333.9 (3/1/89)
SWITZERLAND						
Swiss Bank Ind. (31/12/58)	754.7	750.5	748.8	747.9	829.1 (6/9/89)	613.1 (3/1/89)
TAIWAN**						
Weighted Price (30/6/66)	12087.23	12054.35	(c)	(c)	12087.23 (1/2/90)	4873.01 (3/1/89)
THAILAND						
Bangkok SET (30/4/75)	845.35	853.72	862.42	858.16	918.67 (5/1/90)	386.73 (2/1/89)
WORLD						
M.S. Capital Intl. (1/1/70)	(u)	539.9	538.9	540.5	571.0 (4/1/90)	487.6 (13/6/89)

**Saturday Jan. 27: Taiwan Weighted Price: (c) Korea Comp Ex. 905.75

& Subject to official recalculation.

Base values of all indices are 100 except: Brussels SE, ISEQ Overall and DAX – 1,000, JSE Gold – 255.7, JSE Industrials – 264.3 and Australia All Ordinary and Mining – 500; (c) Closed. (u) Unavailable.

TOKYO - Most Active Stocks
Thursday February 1 1990

	Stocks Traded	Closing Prices	Change on day
Kawasaki Steel	17.2m	825	+4
Mitsubishi Kasei	8.7m	986	-11
Toa Steel	7.8m	1,930	+130
Sasebo Hvy Ind	7.8m	907	+49
Sumitomo Mt Mg	6.1m	2,190	-40
MHI	5.9m	1,080	-20
Pudo Contsr	5.7m	1,530	+170
Hokkaido Bank	5.6m	1,250	+30
Nippon Mining	5.3m	1,080	+30
IHI	5.1m	1,360	+20

3pm prices February 1

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
		– A – A – A –								
37½	24¼	AAR	.48	1.5	19	110	32	31⅞	31⅞	+ ⅛
9⅝	8½	ACM n	1.01	11.		102	9½	9⅜	9⅜	– ⅛
11⅝	10½	ACMIn	1.26	11		302	11¼	11⅛	11⅛	
8⅝	8	ACM M	n1.01	12.		134	8⅝	8½	8⅝	+ ⅛
12⅛	12	ACMMM				23	12	12	12	
11½	10	ACM Sc	1.26	11.		544	11⅛	11	11	– ⅛
9⅝	8⅞	ACMSp	1.01	11.		648	9⅜	9⅛	9⅜	+ ⅛
19⅜	11½	AL Lab	.16	.9	18	56	17½	17⅜	17⅜	+ ⅛
4⅛	3¼	AMCA	.12e	3.6	5	18	3⅜	3⅜	3⅜	+ ¼
6⅛	3⅜	AM Intl			8	1530	3⅝	3½	3⅝	+ ⅛
23½	16⅜	AM In pf	2	12.		33	17	16¾	17	+ ¼
107¼	52½	AMR			7	3567	53⅞	53⅛	53⅞	– ⅛
24⅞	23⅛	ANR pf	2.12	8.7		2	24⅜	24⅜	24⅜	
5½	3⅛	ARX				38	3½	3⅜	3⅜	
66½	39	ASA	3a	4.6		1512	65⅜	64⅛	65⅜	+1⅞
70⅜	48⅛	AbtLab	1.40	2.1	17	2466	65½	64⅝	65⅛	+ ⅛
18⅛	11⅛	Abitibi g	.50			78	12¼	12	12¼	+ ¼
13	9¼	AcmeC	.40	4.1	11	101	10⅛	9⅞	9⅞	– ⅜
9¾	8	AcmeE	.32	3.8	11	z90	8⅞	8¾	8⅞	+ ⅛
38½	24⅛	Acusn			19	917	29⅞	29	29	– ¾
16½	12⅞	AdaEx	2.06e	14.		162	15½	15¼	15¼	– ⅛
15⅞	6⅞	Adobe				225	13¼	13	13¼	+ ¼
20¼	18⅞	Adob pf	1.84	9.5		3	19⅜	19⅜	19⅜	+ ⅛
21⅝	19⅞	Adob pf	2.40	11		7	21	21	21	
10½	7⅛	AMD			5	3146	7¾	7⅛	7¼	
35	28½	AMD pf	3	10.		11	28⅝	28½	28⅝	– ¼
10⅛	6⅛	Advest	.16	2.4	9	144	6⅝	6⅜	6⅝	+ ⅛
62½	48½	AetnLf	2.76	5.5	8	1464	50⅛	49⅝	49⅞	– ⅛
14	8⅞	AffPb	.24	2.3		78	10⅝	10⅝	10⅝	
25	16⅛	Ahmans	.88	5.0	9	724	17⅝	17⅜	17⅝	
3⅞	2⅛	Aileen				2	2¼	2¼	2¼	
50¼	40	AirPrd	1.32	2.8	12	1134	46⅞	46⅝	46⅞	+ ⅛
39⅝	21½	AirbFrt	.60	1.7	18	1951	35⅛	34½	34⅞	+ ⅝
26⅛	16	Airgas			9	140	16⅞	16¼	16⅜	– ⅝
20⅜	16⅞	Airlease	2.40	12.	10	2	19⅝	19⅝	19⅝	+ ⅛
10¼	9½	AlaP	dpl.87	9.1		7	9⅝	9½	9⅝	
98⅝	88¼	AlaP pf	9	9.5		z120	95	95	95	+1
103½	93	AlaP pf	9.44	9.5		z30	99	99	99	–1
91	80⅞	AlaP pf	8.28	9.4		z100	88	88	88	+1⅛
30½	19⅝	AlskAir	.20	1.0	8	1554	21⅜	20¼	20¼	– ⅝
23½	15⅜	Albnyln	.35	2.0	10	92	17⅝	17⅛	17⅛	– ¼
53⅞	32⅞	Alberto	.40	.9	19	31	44	43¾	43¾	– ¼
41½	27½	AlbCulA	.40	1.2	14	68	34	33⅛	33⅞	– ¼
60¼	38⅝	Albtsn	.80	1.5	17	583	52¼	52⅛	52¼	+ ⅜
25¼	19⅞	Alcan s	1.12	5.4	6	1845	[illegible]	20¾	20¾	– ¼
36⅞	25⅜	AlcoStd	.84	2.7	12	186	31⅞	31⅛	31⅛	– ⅜
34	22⅞	AlexAlx	1	3.9	17	106	25⅝	25¼	25⅝	
71¼	48	Alexdr			26	82	50½	48	50	+1⅞
103½	79	AllegCp	1.63t	1.9	11	10	88½	88¼	88½	+ ¼
2⅛	⅛	vjAlgInt				1194	11-16	⅝	11-16	–1-16
4½	5-32	vjAlgI pr				440	⅜	½	⅜	+ [illegible]
15⅛	7-16	vjAll pfC				1	1	1	1	
41⅝	32⅞	AlgLud	1.20	3.2	6	89	37½	37⅛	37½	+ ⅛
42½	35⅝	AllgPw	3.16	7.9	11	565	40⅛	40	40⅛	
16⅞	8	AllenG			15	48	12	11¾	11⅞	+ ⅛
18⅞	11½	Allen pf	1.75	10.		23	17	17	17	+ ¼
29½	12¼	Alrgn n	.12e	.9		6126	13⅞	13½	13⅝	
16¼	11	AlnCap	1.92	12.	21	150	16	15⅞	15⅞	
25⅞	22¼	Allsh pf	.83e			38	23¼	23	23¼	+ ¼
27⅞	6¼	AlldPd			8	109	6⅞	6⅜	6⅞	+ ⅜
40⅞	31⅞	AldSgnl	1.80	5.3	10	1311	34⅛	34	34⅛	+ ⅛
10⅝	10	AlstMu	.78a	7.4		184	10½	10⅜	10½	
10⅛	9¼	AlstMil	.73a	7.6		307	9⅝	9⅝	9⅝	– ⅛
11⅛	9¼	AMIO	.84e	7.8		107	10⅞	10⅜	10⅞	
10½	9⅛	AMIO2	n.80	8.2		111	9⅝	9⅝	9⅝	
10	8⅞	AMIO3	n.60	6.6		82	9⅛	9⅛	9⅛	– ⅛
10	9	AlsMP	n.69e	7.5		167	9⅛	9⅛	9⅛	– ⅛
41⅞	24¼	ALTEL	s1.28	3.9	14	225	32⅛	31⅞	32¼	+ ⅛
79⅞	57⅞	Alcoa	1.60e	2.6	6	2412	61⅛	60⅞	61⅛	– ⅜
20¼	10⅝	AmaxG	.08	.4	38	143	19⅛	18⅞	19⅛	+ ⅛
29⅞	20⅞	Amax	.80	3.6	3	1704	22⅝	22¼	22¼	– ⅜
16⅛	8⅛	AmBas	.20	2.3	3	867	8⅝	8⅝	8⅝	
13⅝	10½	Amcast	.48	4.7	12	77	10⅝	d10⅛	10⅛	– ⅜
18⅝	4½	Amdura			6	110	5	4⅞	5	+ ⅛
27¼	8	Amdu pf	1.95	20.		61	10⅛	9¼	9¾	– ⅛
51⅞	31⅛	AmHes	.60	1.3	8	2470	47⅞	46⅛	46⅞	– ⅞
18⅛	9⅜	ABarck s			89	1960	17⅝	17⅛	17⅝	+ ⅝
81⅞	61⅞	AmBrnd	2.72	4.1	10	3369	67⅛	66⅝	66⅝	– ⅛
39⅛	28⅜	ABldM	.92	2.7	15	3	33⅝	33½	33½	
27	19½	ABusP s	.80	4.0	11	6	20⅛	20⅛	20⅛	
21¼	17⅛	ACapBd	2.04a	12.		22	17⅞	17⅝	17⅝	– ⅛
23⅛	19¼	ACapCv	2.31e	12.		15	20	20	20	– ⅛
9⅝	7⅛	ACapIn	1.10	15.		310	7⅛	7⅛	7½	
11⅝	8¼	ACMR	.60	7.1	10	11	8⅝	8½	8½	
60⅝	47	ACyan	1.25	2.8	15	2099	48⅞	47⅜	47⅞	– ¼
33⅝	23¼	AEPw	2.40	7.7	10	1085	31⅛	30⅞	31	+ ⅛
39⅝	26⅞	AmExp	.92	3.1	11	13068	30⅛	29⅞	30	+ ¼
22¼	14¼	AFamly	.32	2.0	16	1058	16	15⅝	15⅝	– ⅛
39⅛	26⅛	AGnCp	1.60	6.2	7	3316	26⅛	25⅝	26⅛	+ ⅝
8⅛	7⅜	AmGvl	.84a	11.		179	7⅞	7⅛	7⅞	
10⅛	8⅞	AGIP	1.06a	11.		91	9⅝	9⅝	9⅝	
10⅝	9¼	AGTT	1.02	10.		47	10⅛	10	10⅛	+ ⅛
24	18⅛	AHltPr	2.32	11.	13	200	21⅛	21½	21⅛	+ ⅛
32	25⅛	AHerit	1.20	3.8	13	6	31⅞	31⅝	31⅝	– ⅛
110⅛	84⅛	AHome	4.30	4.1	15	1964	106⅞	105⅛	105½	– ⅜
441½	357	AHme pf	2	.4		1	u474¼	474¼	474¼	+33¼
99¼	49⅞	AmInch	3.16	5.5	15	1771	60⅛	59⅝	59⅝	– ⅛
112	69⅞	AIntGr	.48	.5	11	1662	93¼	91⅞	92¼	– ⅞
26¼	3⅜	AMI				374	4	3⅞	4	+ ⅛
10⅛	9⅝	AOIP n	1	10.		426	10	9⅞	9⅞	
40⅞	23⅞	APresd	.60	2.5		49	24⅛	23⅞	24	– ⅛
16	10⅛	AREst	2	17.	7	79	12⅛	11⅞	11⅞	– ⅛
9⅛	8¼	AmRlt	s1.62	27.	2	77	6⅛	6⅛	6⅛	– ⅛
18⅛	6	ASB	.80	16.		366	6⅛	d 4⅞	4⅞	– ⅞
19½	7⅛	ASB pf	1.81	25.		178	7½	d 6⅞	7⅛	– ⅞
5⅛	2	AShip				73	2⅞	2⅞	2⅞	+ ⅛
72¼	53	AmStor	1	1.8	24	280	57	56⅞	56⅞	– ⅛
47	29⅝	AT&T	1.20	3.1	16	16502	39⅛	38⅞	38⅞	– ⅛
21½	15¼	AmWtr	.80	4.3	11	276	18⅞	18⅝	18⅞	+ ⅛
15⅞	13⅛	AWat pr	1.25	8.2		z800	15⅛	15⅛	15⅛	– ⅛
16	6	AmHotl	.60			10	6⅛	6⅛	6⅛	+ ⅛
46¼	32⅝	Ameron	1.28	2.9	13	271	44⅞	43⅞	44⅞	+1⅛
20	6⅝	AmeGp	.10	1.5		3464	6⅞	6⅝	6⅝	– ⅛
18⅞	12	Ametek	.64	5.1	18	480	12⅝	12½	12½	– ⅛
11	9¼	Amevilo	1.08a	10.		11	10½	10⅜	10½	+ ⅛
56⅞	39⅞	Amoco	s2.04	3.9	17	x6709	52⅞	52⅝	52⅞	– ⅛
49⅞	40	AMP	1.36	3.0	17	1471	45½	44⅝	45⅛	+ ⅝
15⅝	9¼	Ampco	.30	3.0		19	9⅞	9⅝	9⅞	
9½	6⅛	Amre	.08	1.1		147	7⅛	7⅛	7⅛	
9⅛	6⅝	Amrep			66	51	6⅝	6⅝	6⅝	– ⅛
29⅛	23	AmSth	1.40	5.8	9	176	24⅛	23⅞	24⅛	+ ⅛
7½	2⅛	Anacmp			19	990	4	3⅞	3⅞	– ⅛
39½	24⅛	Anadrk	.30	.9	36	602	33	32⅝	32⅞	+ ⅛
12⅝	7⅛	Analog			13	272	7⅞	7⅝	7⅝	– ⅛
31⅞	22⅞	Angelic	.80	2.6	15	129	30½	29⅞	30½	+1⅛
11⅝	6⅛	AngelRl	1.53	21.		14	7⅛	7⅛	7⅛	– ⅛
46	36⅝	Anheus	.88	2.4	14	2350	37½	37	37	– ¼
18⅝	6⅞	Anthem			13	225	17⅛	17⅛	17⅛	
20⅞	12	Anthny	s.44b	3.2	6	69	13⅞	13⅛	13⅛	– ⅛
45⅛	27⅛	Aon cp	1.40	3.8	11	x1714	37⅞	36½	37⅛	+ ⅛
18⅜	8⅛	Apache	.28	1.7	32	1808	16⅝	15¾	16⅛	+ ⅜
12⅞	10⅛	Apex n	.91	8.1		236	11⅛	11⅛	11⅛	
38⅞	30⅛	ApplBc	.35e	1.1	7	70	31⅛	31¼	31⅛	– ⅛
14⅝	6	ApplMg				199	6⅛	6	6⅛	+ ⅛
23½	14⅞	ArchD	s .10	.5	12	4681	19⅜	19½	19⅜	– ⅛
40⅜	28⅛	ArcoCh	2.50	7.1	8	152	35⅜	35	35⅛	– ⅛
13¼	6⅝	ArcAlsk			10	173	10⅛	10	10	– ⅛
27⅝	17⅛	Aristec	s 1	3.8	11	7502	26⅜	26⅛	26⅛	
23⅛	20⅝	ArkIE	n			302	21⅛	20¾	20¾	– ¼
27¾	20	Arkla	1.08	4.6		1458	24⅞	24⅛	24⅞	
61	40	Arkla pf	3	6.6		601	46⅛	45⅝	46⅛	– ⅝
13½	9½	Armco	.40	4.0	5	2678	10⅛	9⅝	10⅛	
24⅝	21⅞	Armc pf	2.10	9.9		15	21⅞	d21⅛	21⅛	– ⅛
50⅞	31¼	ArmWI	1.08	3.2	9	2275	34⅝	33⅞	33½	–1
6⅝	3⅛	Arowh				60	3⅞	3⅞	3⅞	
14⅝	9¼	ArwE pf	1.94	19.		6	10⅛	10⅛	10⅛	– ⅛
36¼	9	Artra				126	9⅝	9⅛	9¼	+ ⅛
28⅜	13½	Arvin	.68	4.9	14	300	14⅝	14	14	– ⅝
49⅛	38¼	Arvin pf	3.75	9.3		1	40½	40½	40½	+ ⅛
36⅞	25⅛	Asarco	1.60	5.7	5	886	28⅜	28⅛	28⅛	– ⅝
17⅛	12⅛	AsCool	.32	2.0	11	48	16⅛	15⅞	16⅛	+ ⅜
43	39¼	AshOil	1	2.8	32	412	37	36¼	36¼	– ⅝
22½	7¼	AsiaPc	.15e	.9		472	20½	19½	19½	–1⅛
12	6⅞	Asetinv	1.58e	20.	5	301	7⅝	7½	7⅝	+ ⅛
21⅛	9	AscNG			110	70	19	18⅝	18⅝	– ⅛
23⅛	11½	Athln	s 1	7.8	6	58	12⅞	12⅝	12⅞	+ ⅛
30⅛	23⅞	AtlGas	1.96	7.1	18	187	27⅝	27⅛	27⅝	+ ⅛
39⅞	32½	AtlEnrg	2.86	7.9	10	143	36⅛	36⅛	36⅛	+ ⅛
114⅞	83⅞	AtlRich	5	4.5	11	2823	110½	110	110⅛	– ⅜
271¼	201⅛	AtlRc pr	2.80	1.1		1	258½	258½	258½	+1½
16½	10⅞	Atlas	s		17	24	16⅛	16⅛	16⅛	
18⅝	14⅝	ATMOS	1.16	6.6		21	17⅛	17⅛	17⅛	+ ⅛
7⅛	3	AudVd				12	4	4	4	
15⅞	11½	Augat	.40	3.1	19	183	12⅞	12	12⅞	+ ⅜
36	33¼	Ausimt	1.20	3.4	14	1	34⅞	34⅞	34⅞	
24⅞	10⅛	Austr n	.07e	.3		74	23⅝	23½	23⅝	
50¼	35⅞	AutoDt	.60	1.3	18	1249	48	46⅞	47⅛	+ ⅛
33⅛	21	Avery	.56	2.0	15	277	28⅞	28½	28½	– ⅛
32⅛	20⅝	Avnet	.60	2.2	16	543	27⅝	27⅛	27⅝	
41⅛	20⅜	Avon	1	3.2		1048	31⅛	31⅛	31⅛	– ⅛
33½	22	Avon pf	2	7.8		211	25⅞	25⅛	25⅞	+ ⅜
21⅞	13⅝	Aydin	1e	6.9	8	23	14½	14⅛	14½	+ ⅛
		– B – B – B –								
40	30½	BCE g	2.62	7.0		1060	36⅝	36⅛	36⅛	– ⅛
20½	15⅝	BET	.90e	5.4	10	1	16⅝	16⅝	16⅝	
10½	7	BMC			7	16	7⅛	7⅛	7⅛	– ⅛
29⅛	25½	BP Pr	n1.88e	6.6		167	28½	28⅛	28½	+ ⅛
31⅞	27⅞	BRE	2.40	8.6	7	38	27⅞	27½	27⅞	+ ⅛
19⅛	10⅞	BRT	2.24e	19	5	201	12	11⅞	11⅞	– ⅛
25⅛	14⅛	Bairnco	1	6.7	24	436	14⅞	14⅛	14⅞	+ ⅛
24⅞	19⅛	BakrF	s3.59e	18.		69	19½	19⅜	19½	+ ⅛
27⅞	14⅞	BakrHu	.46	1.9	20	3415	24⅛	23⅞	24	+ ⅛
60	42½	BkrH pf	3.50	6.6		12	53⅝	53⅛	53⅝	+ ¼
34½	25⅛	Ball	1.12	3.8	22	148	31⅛	31	31	– ⅛
29⅞	12	BallyMf	.30	2.5	14	1693	12⅛	d11⅝	12	– ⅛
15⅞	10⅛	BaltBco	.56	4.9	8	281	11⅛	11	11⅛	+ ⅛
34⅞	28⅛	BaltGE	2.10	6.7	10	468	31⅝	31⅛	31⅛	– ⅜
63	49½	Balt pfB	4.50	8.7		z20	51½	51½	51½	
37	23⅞	BncOne	1.04b	3.5	11	1622	30⅛	29½	30	+ ⅛
12	6⅝	BncFla	.44	6.6	168	5	6⅝	6⅝	6⅝	– ⅛
35⅞	29⅞	BcBilV	1.22e	3.8		15	32⅛	32	32⅛	+ ⅛
22½	19⅞	BncCtrl	.56e	2.8	8	8	20⅞	20⅞	20⅞	+ ⅛
60¼	47½	BnSant	1.16e	2.4	12	9	48½	48½	48½	+ ¼
11-16	3-16	BanTex				24	15-64	15-64	15-64	
80⅛	56⅞	Bandag	1	1.3	15	97	80⅛	79⅞	80	+ ½
30⅝	13½	BkBost	1.24	8.4	16	1652	14⅞	14⅝	14⅝	– ⅛
40½	29⅞	BkB pfA	3.42e	11.		4	31½	31½	31½	
39⅛	28⅞	BkB pfB	3.29e	10.		3	32	32	32	+ ⅛
74	50	BkB pfC	6.05e	11.		z100	54⅞	54⅛	54⅞	+1⅛
24⅞	2⅛	BkNE				14033	5⅛	5	5	+ ⅛
55	34½	BkNY	2.12	6.8	136	1674	36⅛	35⅞	36⅝	+1⅞
35⅞	20⅞	BnkAm	.60	2.3	6	2937	26⅛	25⅞	25⅞	– ⅜
38⅛	34⅛	BkA pf	3.48e	9.7		67	36⅛	35⅞	35⅞	– ⅛
85⅞	57⅛	BkA pf	6e	9.8		23	62⅛	61⅞	62⅛	+ ⅛
7⅛	5	BkA pf	2.25			34	5⅛	5⅛	5⅛	
58⅛	36⅛	BankTr	2.33	6.1		1644	38⅛	37⅞	38	+ ⅛
17⅛	9	Banner	s		3	394	12⅞	12½	12⅞	+ ⅜
38½	26⅞	Barclay	1.60e	4.6	6	199	u39½	39	39⅛	+1
28⅛	24	BarB pr	1.88e	7.8		65	24⅞	24⅝	24⅛	– ⅛
26⅞	23⅞	BarB pr	1.61e	6.5		80	24⅞	24½	24⅞	+ ⅛
26½	16⅞	Bard	.40	2.2	15	4359	18⅛	d17⅛	17⅞	– ⅛
38⅛	26⅝	BarnGp	1.40	5.2	14	4	26⅞	26⅞	26⅞	+ ⅛
40	30⅞	Barnett	1.20	3.8	8	2716	31⅝	31	31⅛	– ⅛
17⅛	5⅜	Beroid	.20	2.1	49	1651	9⅞	9⅝	9⅝	– ⅛
13	13	BatlMt	.10		6	43	2665	17⅛	16⅞	17	+ ⅛
58⅝	42½	Bausch	1.16	2.0	16	412	58⅞	58	58⅝	+ ⅛
26⅛	18½	Baxter	.56	2.4	16	7730	23⅞	23⅛	23⅝	– ⅛
40	35	Bax pfA	3.56e	9.6		42	37⅛	37	37⅛	
78⅞	62⅛	Bax pfB	3.50	4.9		173	71½	71	71	– ⅛
14	⅞	vjBayFin				21	1⅛	1⅛	1⅛	
22⅞	18⅞	BaySG	s1.20	6.3	9	27	19	18⅞	19	+ ⅛
17⅞	12⅛	BearSt	.56b	4.3	7	111	13	12⅞	13	
32⅞	21½	Bearg	s .64	2.7	9	78	23⅛	23	23⅛	+ ½
15½	8⅛	Beazer	.61e	5.6	7	32	10⅞	10⅞	10⅞	
22⅝	14⅝	Bcklne	.28e	1.9	10	1562	15⅛	14⅝	14⅝	– ½
62⅞	48⅞	BectDk	1.08	1.9	13	1313	57½	56⅞	57⅛	– ⅛
114¼	72⅛	BellAtl	4.40	4.5	18	1781	98¾	97⅛	98	+ ¼
17⅞	13¼	BellInd	.40	2.7	15	257	15⅛	14⅞	15	+1⅛
59⅛	40⅛	BellSo	2.52	4.6	14	3753	52⅞	52⅛	52⅝	+ ⅛
41	24⅞	BeloAH	.44	1.3	29	116	33⅛	33	33⅛	+ ⅛
37½	24	Bemis	.60	2.1	16	847	29	28⅝	29	+ ¼
56⅝	42⅝	BenfCp	2.20	4.8	10	205	46	45⅝	45⅝	– ⅛
48	41½	Benef pf	4.50	9.8		z20	46	46	46	–1
3⅞	1⅝	BngtB	s .02i		8	3	223	2⅝	2½	2⅝	
14⅞	12¾	Benetn	n			44	13⅝	13¼	13⅝	+ ⅛
⅞	3-128	vjBerkey				28	⅛	⅛	⅛	
8900	4700	BerkHa			19	z440	7560	7425	7560	+ 65
17½	15	Berlitz	n			75	15⅞	15½	15⅞	+ ½
15⅞	12	BeryP	s.55e	3.9	24	61	14⅛	13⅞	14⅛	+ ¼
11¼	5⅝	BestBy			18	225	7⅛	6⅞	7⅛	+ ⅛
28½	15¼	BethStl	.20e	1.1	6	1758	17⅞	17¼	17½	– ½
27⅝	23⅛	BthS pfB	2.50	10.		11	25⅛	25	25⅛	+ ⅛
10	4⅜	Bevrly				866	4⅞	4⅛	4⅛	– ⅛
23½	8⅞	Biocft	.10e	.6	16	794	17⅞	16½	17⅞	+1⅛
29⅞	15	BirStl	.50	3.1	7	1140	16⅝	16¼	16⅝	+ ⅜
25⅛	15⅛	BlackD	.40	2.4		2477	16⅞	16⅝	16⅞	+ ⅛
29⅞	26	BlkHCp	1.64	6.0	12	26	27⅛	27	27⅛	+ ⅛
9⅝	8¼	Blkstn	1.05	12.		1172	9	8⅞	9	+ ⅛
11	9⅛	BlkslT	.95	9.6		1665	10	9⅞	9⅞	– ⅛
37⅞	20⅛	BlckHR	1.28	3.7	18	294	35	34	35	+1
21⅝	10½	BlckE	s		30	2030	14⅛	14	14⅛	
18⅞	13⅛	BlueAr	.34e	2.3	12	178	14⅝	14½	14½	
8⅛	6⅛	BlueChp	.78e	11		65	6⅞	6⅞	6⅞	+ ⅛
63¼	40⅞	Boeing	s1.20	2.0	21	6749	61	59½	60⅛	+1½
48	38	BoiseC	1.52	3.8	6	967	39⅝	39⅛	39⅝	+ ¼

Continued on Page 35

NYSE COMPOSITE PRICES

Continued from previous Page

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
10⅝	9⅛	Rymr pf	1.17	12.		3	9⅝	9½	9⅝	+ ⅛
		– S – S – S –								
41	31	SCEcp	2.58	6.8	11	2035	37⅞	37⅝	37⅞	
14½	7½	SCOR U	.20	1.7	12	16	11⅝	11⅝	11⅝	
9½	7⅝	SL Ind	.17b	2.1	14	14	8¼	8¼	8¼	
60¼	39¼	SPSTec	1.28	3.3	10	13	39¼	d39	39	– ¼
36⅝	22¾	SPX Cp	1	4.2	8	332	24	23⅝	24	
35⅝	27¼	SSMC			93	171	31⅝	31⅜	31⅝	
22½	11¼	Saatchi	.49e	3.9		37	12½	12⅜	12⅜	– ⅛
14⅝	12¾	SabnR	1.36e	11.	9	17	12½	12¼	12⅜	– ⅛
7⅛	4¼	Safecrd	.10	1.5	8	444	6⅝	6½	6⅝	+ ⅛
19	12⅝	SigdSc			11	4	12¾	12¾	12¾	
36¾	25¼	StKGs	.36	1.3	21	622	29	29⅝	28¾	
9¼	8⅛	SalCas	1.12	13.	20	24	8⅝	8⅜	8⅝	+ ⅛
24½	21	StJoLP	1.60	6.9	9	16	23¼	23⅛	23¼	+ ¼
28⅞	7⅞	Salant			11	101	10	9¾	10	+ ⅛
53½	34⅞	SallieM s	.52	1.2	17	2452	44⅛	43¼	43¾	+ ⅜
29⅝	20⅛	Salomn	.64	3.0	8	1672	21½	21⅛	21⅜	+ ⅛
45⅝	36⅝	SDieGs	2.70	6.3	14	572	43¼	42⅞	43	
9⅝	7¼	SJuanB	.17e	2.2	45	123	7⅝	7⅝	7⅝	
36	27¼	SAnBRt	2.06	7.5	18	14	27¾	27¼	27¼	+ ½
14⅝	6⅝	SFeEP	2.88	38.		38	7⅛	7½	7½	
27¾	20⅝	SFePP	2.40	9.3	8	46	26	25¾	25⅞	– ⅛
26⅛	18⅝	SFePCp	.10e	.5		1686	18⅞	18½	18⅝	
21⅞	14⅛	Talley pf	1	7.1		47	14⅝	14⅛	14⅛	
78¼	53½	Tambd	2.08	3.1	20	670	68¼	67¾	68	
28¼	14⅛	Tandem			24	4532	27⅞	27⅛	27⅝	
48¼	35	Tandy	.60	1.7	10	1782	36½	d34⅝	34⅞	
12⅞	12	TauNY n				22	12	12	12	
14⅝	7	TchSym			11	38	7⅞	7⅛	7⅞	
24¼	18⅛	Tektrnx	.60	3.7	42	292	16⅝	16¼	16¼	
2⅛	1⅛	Telcom			34	9	1⅜	1⅜	1⅜	
40	16	TlcmUS			15	2503	19	18¾	18⅝	
360¾	317½	Teldyn	4	1.1	15	x110350		347⅞	348½	
27⅞	22⅝	Telef	1.07e	4.4	13	1257	24¼	23⅞	24⅛	
71	49½	Templ	1.16	1.9	8	306	61¼	60½	61	
15⅝	8⅝	TemplE	.33e	2.3		220	14⅝	14⅛	14⅝	
9⅞	8¼	TpGGv	1.02	11.		181	9	8⅞	8⅞	
9½	8⅛	TmpGlb	1.02	11.		1494	9	8⅞	9	
10½	8¼	TmpWi	.43e	4.6		147	9⅜	9¼	9⅜	
64⅞	45⅞	Tenneco	3.04	4.8	18	3785	63⅝	62½	63⅛	
14¾	8¼	Teradyn			99	67	8	8⅞	8⅞	
14½	8¼	Tesoro				109	8½	8⅜	8½	
25½	18¼	Tesor pf	2.16			27	18⅝	18¼	18⅝	
58⅝	48½	Texaco	3a	5.2	13	90408	58¼	57⅛	58	
50½	47⅞	Txc pfC				68	48⅝	48⅜	48⅝	
35⅞	20	TexInd	.80b	4.0		2	20¼	20¼	20¼	
46¼	29⅛	TexInst	.72	2.2	11	1129	33⅝	32¾	33	

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd-when distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

AMEX COMPOSITE PRICES

3pm prices February 1

NASDAQ NATIONAL MARKET

3pm prices February 1

AMERICA

Euphoria fades as Dow sticks in narrow range

Wall Street

THE EUPHORIA surrounding Wednesday's substantial end-of-January rally faded yesterday as trading was held in a fairly tight range, *writes Janet Bush in New York.*

At 2 pm, the Dow Jones Industrial Average was *quoted* 2.03 points higher at 2,592.57 on moderate volume of 90m shares. On Wednesday, the Dow had closed 47.30 points higher at 2,590.54, its biggest one-day gain since its surge of 56.95 points on January 2 to a record high of 2,810.15.

The Dow had initially fallen by about 10 points as some investors inevitably took profits after the sharp price gains on Thursday. But then the index recovered.

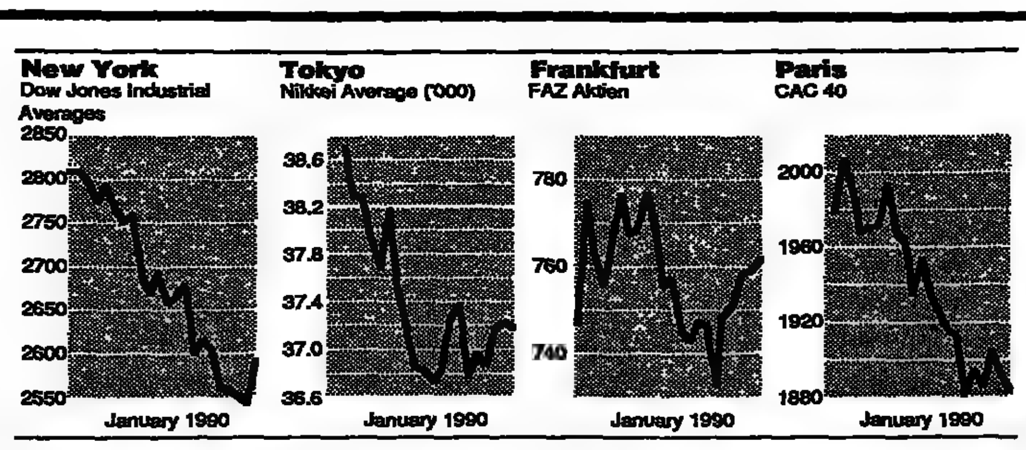
Among other key indices, the broad-based Standard & Poor's 500 was quoted marginally higher at midsession and *the Nasdaq Composite index of* stocks traded over-the-counter was higher after its recent bout of extreme weakness.

The early weakness came partly as a result of profit-taking but deepened briefly after *the publication of the US purchasing* managers' report for January which was clearly weaker than the financial markets had expected.

The managers' index fell 45.2 per cent from 46.7 per cent in December, the greatest rate of decline in economic activity since December, 1982. The report said that new orders fell sharply, that employment continues to decline and that its inventories index was the lowest since December, 1986.

The bond market failed to respond particularly positively to this news because the report also said that, although prices *declined for the eighth consecutive* month, it was at the lowest rate since May, 1989. The failure of the Treasury market to build on Wednesday's sharp gains kept the equity market somewhat on the defensive.

The Government also *reported yesterday that con*struction spending fell by 0.6 per cent in December after rising by a revised 0.7 per cent in November.



JANUARY PUTS QUESTION MARK OVER 1990 PROSPECTS

FEARS over the course of world interest rates, Soviet politics and profit-taking let the steam out of global equity markets in January.

Japan had to revise its maxim that January is a good month for investment. In the US, where January's performance has set the tone for 34 of the last 39 years, Wall Street opened the new decade with a record high, and deteri*orated thereafter.*

In Europe, France has seemed firmly coupled to other international markets. West Germany almost recovered from its mid-month slide but, in the end, it had to content itself with a monthly record for bourse turnover – put yesterday at DM385.5bn, against DM284.5bn in December.

This evidence of weakness comes after a bout of positive thinking in the equity market which was partly due to the *testimony by Mr Alan Green*span, the Fed chairman, in Congress earlier this week, in which he said that he thought the chances of the economy slipping into recession were relatively low.

Takeover issues were weak yesterday in the wake of news that the board of Hilton Hotels had ended its meeting without taking action on a possible sale or restructuring of the company. Hilton dropped \$4¼ to \$57½. UAL dropped \$⅛ to \$121 and Holiday fell \$2⅛ to \$57⅛.

First Interstate Bancorp *dropped \$⅛ to \$37⅛ after the* Securities and Exchange Commission said it had begun an informal investigation into the circumstances surrounding the company's \$400m write-down in the fourth quarter.

Compaq Computer jumped \$4¾ to \$80¼ after reporting fourth quarter earnings which, at \$1.84 a share, were at the high end of analysts' forecasts. Bell Industries added \$1⅛ to \$15 after the company declared a \$4 a share special dividend.

Canada

FEARS OF a rise in interest rates left Toronto stocks barely changed in light turnover by midsession. The composite index fell 0.8 to 3,703.62 on volume of 15m shares. Advances outnumbered declines by 206 to 188.

Gold shares regained some ground, with Corona up C\$⅛ at C\$10⅞ and *Lac Minerals ris*ing C\$⅛ to C\$15⅞.

ASIA PACIFIC

Nikkei ends little changed as rally peters out

Tokyo

EARLY signs of buoyancy in the market fizzled out yesterday, and share prices closed with only marginal gains in slow trading, *writes Michiyo Nakamoto in Tokyo.*

A firm yen and a recovery in *the bond* market, combined with Wall Street's overnight gains, brought a measure of enthusiasm in early trading as the Nikkei index rose 116.52 to a high of 37,332.19. But it was unable to sustain this, dropping into negative territory before it closed a little higher at 17.47 at 37,206.42. The day's low was 37,124.89.

In spite of the minimal gain in the Nikkei, advances out*numbered declines by 638 to* 391, with 194 unchanged. Activity remained thin, although volume improved to 507m shares from the 401m traded on Wednesday. The Topix index of all listed stocks gained 16.52 to 2,754.09 and, in London, the *ISE/Nikkei* index added 1.25 to 2,050.72.

Index-linked buying by investment trusts was behind the initial rise in share prices. But most investors found little *reason to venture into a mar*ket that has plunged this year and has been clouded by uncertainties which look likely to be around for some time.

"Investors have been hurt, and they need time to heal their wounds," said Mr Kazuma Kitai at County NatWest. Although the fundamentals of the Japanese economy are still strong, the stock market will be happier when it knows the outcome of three upcoming events: the plenary session of the Soviet Communist Party Central Committee; the US Treasury bond auctions; and the meeting of the US Federal Open Market Committee in mid-February.

Scattered interest in equities saw laggards attracting most of the attention. Several financial stocks put in a good performance, with Industrial Bank of Japan rising Y190 to Y5,800 and Bank of Tokyo and Fuji Bank each adding Y30, to *Y1,880 and Y3,500* respectively.

Some of the smaller steels and heavy industrials rose on good earnings and relatively low prices. Toa Steel, an electric furnace steel maker, was *third on the actives list*, with 7.8m shares traded, and rose Y130 to Y1,930.

Sasebo Heavy Industries, a heavy machinery maker with shipbuilding as a mainstay, rose Y49 to a record Y907. Investors were attracted to the issue by speculation that it would merge with a larger shipbuilder.

Among bigger companies, Kawasaki Steel topped the volumes list with 17.2m shares and added Y4 to Y825 and Ishikawajima-Harima Heavy Industries rose Y20 to Y1,350.

Wide-ranging interest in Osaka supported a 186.53 point rise in the OSE average to 38,316.86. Turnover improved *to 55.6m shares from the 40.2m* traded on Wednesday.

Roundup

A DAY of record turnover saw Singapore surge ahead, while Hong Kong and Australia retreated.

SINGAPORE experienced heavy buying from both institutional and small investors. Volume reached a record of 218.2m shares. The previous *record of 213.6m was set on* October 17 last year.

The Straits Times industrial index climbed 13.82 to 1,528.83. Institutions chased property, shipyard and hotel stocks.

DBS Land added 32 cents to S\$3.80 and topped the actives *list with 18.8m units traded.*

HONG KONG eased to its lowest level in nearly three months, amid political uncertainty and selling pressure from local market makers.

The Hang Seng index dropped 13.36 to 2,738.24 with turnover at a thin HK\$606m compared with Wednesday's HK\$563m.

AUSTRALIA was mainly influenced by the gold sector and drifted to a weaker close. The All Ordinaries index closed 6.1 down at 1,670.9, but recovered from an earlier low of 1,667.0 after the announce*ment of a better-than-expected* A\$908m trade deficit.

Overseas investors continued to take profits in the gold sector, which had posted solid gains recently. National turnover was 83m shares worth A\$177m, compared with Wednesday's 86m and A\$170m.

WELLINGTON *followed* Wall Street higher. The Barclays index gained 14.19 points to 1,982.29.

TAIWAN continued to rise, but the momentum slowed, as the weighted index added 32.88 to a record 12,067.23. The index *has soared 1,251 points during* the past six sessions.

SEOUL fell sharply due largely to lack of institutional support. The composite index lost 10.83 to 885.83 on 12.3m shares traded.

SOUTH AFRICA

HESITANT trading while investors awaited today's presidential speech at the opening of parliament left the Johannesburg market mixed.

EUROPE

Bourse sentiment boosted by US troop cuts proposal

OVERNIGHT news of a rally on Wall Street, US President George Bush's proposal to cut US troops in Europe to 195,000 and a positive Soviet reaction to this initiative gave a strong boost to bourse sentiment yesterday, *writes Our Markets Staff.*

FRANKFURT shifted into top gear again and the DAX index climbed 35.30, or 2 per cent, to 1,858.08 as volume rose more than 40 per cent to DM12.1bn. The FAZ closed 12.62 higher at 774.10, threatening the record of 776.71 that it *registered on* January 12.

Foreign buying took the international blue chips, Siemens and Daimler, up DM21 to DM759, and DM37 to DM870, as they topped the individual volume charts in turnover of DM1.47bn, and DM1.09bn respectively. Daimler's increased defence industry commitment following its Mes*serschmitt acquisition seemed* no obstacle, on the day.

However, West Germany's classic blue chip, Deutsche Bank lagged following Tuesday's DM1.56bn rights issue news, rising just DM8.50 to DM823. Commerzbank gained *DM15 to DM317.50 and* Dresdner DM13.20 to DM431.

Lufthansa was a strong feature, putting on DM11, or 5 per cent, to DM230 after the airline chairman said that he expected it to be flying services to West Berlin before the end of the year. Since World War II, only the airlines of the US, Britain and France have been permitted to operate the highly profitable Berlin routes.

Retailers were *also sharply* higher. Kaufhof rose DM25.50 to DM669.50, and its recently *floated Kaufhalle division* closed at DM360, up DM30 from the offer price, on the first day of official trading.

PARIS had a better day than *of late, but finished off its* highs in light trading. The CAC 40 index closed 12.65 higher at 1,895.53, after an early rise to 1,901.89.

Recent losers regained some ground, with La Rochette rising FFr7.60 to FFr115.10 and *Raffinage adding FFr11.80* to FFr204.10. Thomson-CSF demurred, losing FFr4.20 to FFr127.50 in the most active trading of the session, on concern about a reduction in defence orders.

Rising crude prices helped oil shares, with Elf Aquitaine gaining FFr18 to FFr565. Total up FFr9 to FFr549 and BP France rising FFr9.30 to FFr197.90.

Sanofi, the pharmaceuticals company controlled by Elf, *rose FFr19 to FFr1,058. It* reported an 18 per cent rise in 1989 sales and estimated a 20-25 per cent gain *in net profits.*

AMSTERDAM began the day in confident style, but Wall Street's flat opening tipped shares off their highs. The CBS tendency index added 0.5 to 112.5. Strong crude oil prices fed local and foreign demand for Royal Dutch, up another Fl 1.30 to Fl 144.80.

Heineken, the brewer which plans to cut 700 Dutch jobs, lost a further 80 cents to Fl 115.50. Volmac, the software group, shed Fl 3 to Fl 41.70; the company has forecast little change in 1989 net profits from the previous year.

BRUSSELS slipped slightly on profit-taking. The cash market index shed 10.68 to 6236.46.

Solvay firmed BFr50 to BFr13,650 on its 10 per cent profits rise for 1989. Acec-Union Minière, the metals concern, *dropped* BFr150 to BFr5,200 as speculation receded that RTZ, the UK mining group, would buy a stake.

MILAN still seemed depressed by the non-performance of Fiat, up just L5 to L10,485 at the official close and fragile since last week's 1989 results. The Comit index put on 1.51 to 684.27 in dull trading, and *Fiat* slipped L115 to L10,370 after hours.

The telephone company, SIP, lost L95 to L3,120 as it put a figure of L1.2 trillion (million million) on the rights issue it foreshadowed last year.

OSLO surged to a record *high in heavy trading*, with foreign investors featuring strongly and further interest in oil-related issues.

The all-share index gained 10.67 to 578.87, just below the day's high of 579.86. Turnover was a bumper NKr599.8m. Norsk Hydro added NKr5 to NKr183, while Saga Petroleum put on NKr1.5 to NKr78.

STOCKHOLM hardened across the board in spite of extremely limited trading due to the four-day long bank workers' strike. There was a pick-up in turnover and the Affärsvärlden general index added 8.1 to 1,246.9.

Electrolux, the white goods and electricals group, turned in a widely forecast 1989 net profit of SKr3.6bn, compared to SKr3.7bn in 1988. Its free Bs rose SKr5 to SKr287.

Ericsson, the telecommunications company, saw its free Bs rise SKr17 to SKr965 in anticipation of annual results next week. Astra, the pharmaceuticals group, saw its restricted As climb SKr20 to SKr415.

COPENHAGEN rose close to its record, fuelled by Wall Street and a shortage of scrip, but volume was low and for*eign investors remained out of* play. The bourse index gained 2.48 to 373.55.

MADRID was encouraged by Wall Street's overnight performance, adding to recent gains in quiet trading. The general index rose 2.82 to 281.74. Banco Popular continued to rise, gaining 14 points to 1,665 per cent of par.

ZURICH nudged upwards in thin trading, the Crédit Suisse *index rising 2.3 to 606.5.*

IFC EMERGING MARKETS INDICES

Market	No. of stocks	PRICE: December 1989	% Change on Nov	% Change on Dec 31 '88	December 1989	% Change on Nov	% Change on Dec 31 '88	TOTAL RETURN: December 1989	% Change on Nov	% Change on Dec 31 '88
		(Dollar terms)			(Local currency terms)			(Dollar terms)		
Latin America										
Argentina	(24)	419.4	−3.50	136.10	3,181,205	100.30	19,597.4	637.2	−0.70	223.20
Brazil	(56)	128.6	22.80	39.30	444,527.8	93.60	2,053.20	188.8	22.90	49.20
Chile	(26)	618.6	7.20	35.40	1,405.7	14.20	39.60	1,048.9	8.50	51.00
Colombia	(21)	232.6	5.70	6.80	863.2	3.60	33.20	411.1	6.30	14.40
Mexico	(52)	577.2	6.70	66.20	8,010.2	8.30	92.20	760.8	6.70	71.50
Venezuela	(13)	74.0	−0.40	−35.30	434.6	0.70	−24.30	89.9	−0.30	−33.30
East Asia										
South Korea	(61)	471.3	−2.90	−2.20	386.0	−2.40	−3.30	802.1	−2.70	1.70
Philippines	(18)	1,927.9	−13.60	57.50	2,124.0	−12.50	65.60	2,372.4	−13.50	59.40
Taiwan, China	(62)	1,300.3	8.50	95.40	858.0	8.90	80.50	1,440.0	8.60	99.20
South Asia										
India	(60)	203.1	12.90	1.30	274.9	12.50	13.60	242.6	13.00	4.50
Malaysia	(62)	151.8	9.80	39.40	169.0	9.70	38.80	182.1	10.10	43.90
Pakistan	(50)	119.1	0.80	−2.40	164.8	1.10	12.10	185.2	3.50	6.40
Thailand	(29)	404.4	8.20	85.30	381.5	7.60	88.40	870.6	8.20	141.30
Europe/Middle East/Africa										
Greece	(26)	281.4	1.20	67.60	342.3	−3.20	77.30	466.5	1.20	80.90
Jordan	(25)	92.1	−1.80	−4.20	155.7	−0.10	28.50	113.5	−1.80	−1.30
Nigeria	(15)	34.2	6.10	10.20	315.1	5.70	54.90	51.1	6.10	21.10
Portugal†	(23)	654.4	0.10	30.90	630.3	−4.00	33.50	1,160.4	0.10	40.00
Turkey‡	(16)	241.2	31.60	300.10	729.9	31.80	408.20	3,438.9	163.70	1,097.20
Zimbabwe	(11)	610.7	4.20	25.30	911.9	2.80	44.80	1,030.0	5.90	40.80

Source: International Finance Corporation. Base date: Dec 31,1984. †Jan 1986=100. ‡Dec 1986=100.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS — Figures in parentheses show number of stocks per grouping	WEDNESDAY JANUARY 31 1990: US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Day's change % local currency	Gross Div. Yield	TUESDAY JANUARY 30 1990: US Dollar Index	Pound Sterling Index	Local Currency Index	DOLLAR INDEX: 1989/90 High	1989/90 Low	Year ago (approx)
Australia (84)	151.13	−0.3	133.37	130.62	−0.8	5.23	151.68	133.53	131.72	160.41	128.28	156.21
Austria (19)	218.94	−0.4	193.22	191.90	+0.2	1.35	219.68	193.70	191.51	219.88	92.84	94.97
Belgium (61)	148.41	−1.4	130.97	129.20	−0.7	4.32	150.45	132.57	130.08	160.02	125.58	134.43
Canada (120)	*139.79*	*+0.6*	123.36	120.00	*+0.2*	3.33	138.99	122.44	119.62	*154.17*	124.67	135.70
Denmark (36)	245.89	−0.2	217.00	217.88	+0.4	1.45	246.30	216.97	216.98	250.34	155.35	155.51
Finland (26)	147.85	−0.3	130.48	122.88	+0.1	2.54	148.23	130.59	122.80	159.16	118.63	134.54
France (125)	148.55	−0.8	131.10	133.52	−0.4	2.82	149.72	131.89	134.10	157.97	112.57	117.36
West Germany (96)	126.97	+0.0	112.05	111.36	+0.4	1.90	127.00	111.88	110.96	130.32	79.56	83.31
Hong Kong (48)	112.94	−0.3	99.67	113.26	−0.3	5.04	113.30	99.81	113.62	140.33	86.41	127.47
Ireland (17)	193.74	−0.2	170.98	173.61	+0.0	2.50	194.21	171.08	173.69	191.57	125.00	134.69
Italy (96)	99.09	+1.2	87.44	92.74	+1.5	2.47	97.89	86.23	91.34	102.11	74.97	81.42
Japan (455)	185.18	−0.6	163.42	169.20	−0.3	0.48	186.37	164.17	169.64	200.11	164.22	190.41
Malaysia (36)	230.03	+1.7	203.00	239.02	+1.7	2.24	226.17	199.24	235.01	238.21	143.35	154.86
Mexico (13)	*348.51*	*+3.0*	*307.56*	*1028.81*	*+3.0*	0.50	338.23	297.96	998.48	348.51	153.32	160.51
Netherland (43)	138.02	−0.2	121.80	119.75	+0.2	4.49	138.35	121.87	119.56	145.56	110.63	113.40
New Zealand (18)	69.85	+0.3	61.64	61.55	−0.5	5.72	69.63	61.34	61.86	86.16	62.64	72.28
Norway (24)	221.58	+1.4	195.55	195.57	+1.8	1.39	218.42	192.41	192.11	221.58	139.92	157.28
Singapore (26)	188.06	+0.2	165.97	161.46	+0.4	1.60	187.60	165.26	160.84	189.94	124.57	139.53
South Africa (60)	225.45	−0.9	198.96	166.21	−0.6	3.35	227.57	200.47	167.19	231.14	115.35	122.82
Spain (43)	153.93	−0.5	135.84	126.81	−0.1	4.17	154.66	136.25	126.89	169.75	143.14	144.69
Sweden (35)	195.79	*+0.1*	172.79	177.97	*+0.7*	1.92	195.64	172.34	176.81	206.95	138.45	150.17
Switzerland (62)	93.66	−0.8	82.65	87.30	+0.1	2.05	94.45	83.21	87.22	99.12	67.81	76.10
United Kingdom (306)	159.96	+0.4	141.16	141.16	+0.6	4.46	159.36	140.38	140.38	164.31	133.26	148.80
USA (542)	133.02	*+1.8*	117.39	133.02	+1.8	3.55	*130.61*	115.06	130.61	*146.29*	112.13	*120.87*
Europe (989)	142.11	+0.0	125.41	125.37	+0.4	3.42	142.09	125.17	124.93	148.86	112.63	118.42
Nordic (121)	193.20	+0.1	170.50	166.23	+0.7	1.72	192.98	170.00	165.16	198.12	137.95	144.17
Pacific Basin (667)	181.24	*−0.6*	159.94	165.59	−0.3	0.73	182.35	160.64	166.04	194.72	160.44	186.27
Euro – Pacific (1656)	165.79	−0.4	146.31	149.57	−0.1	1.67	166.44	146.62	149.66	174.18	141.58	159.13
North America (662)	133.33	+1.8	117.67	132.20	+1.7	3.53	131.02	115.42	129.94	146.66	112.79	121.67
Europe Ex. UK (683)	129.99	−0.2	114.71	115.65	+0.2	2.70	130.28	114.77	115.40	134.66	96.30	99.65
Pacific Ex. Japan (212)	133.91	−0.1	118.17	120.46	−0.5	4.79	134.10	118.13	121.05	140.05	111.93	136.53
World Ex. US (1849)	165.57	−0.4	146.12	149.01	−0.1	1.73	166.18	146.39	149.09	173.77	141.49	157.98
World Ex. UK (2085)	152.28	+0.3	134.38	143.86	+0.5	2.06	151.84	133.76	143.13	162.00	136.98	143.10
World Ex. So. Af. (2331)	152.50	+0.3	134.58	143.41	+0.6	2.28	152.04	133.93	142.66	161.84	136.67	143.73
World Ex. Japan (1936)	137.84	+0.9	121.65	130.41	+1.1	3.53	136.55	120.29	128.05	146.52	114.51	121.16
The World Index (2391)	152.94	+0.3	134.97	143.57	+0.5	2.29	152.49	134.34	142.83	162.05	136.68	143.60

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Constituent change 1/2/90: Name change: Toa Nenryo to Tonen Corp. (Japan).Latest prices were unavailable for this edition.
Prices for Finland & Sweden were not fully updated Jan.30/31 following problems at the exchanges.

ACCOUNTANCY COLUMN

ARTHUR YOUNG condensed b/sheet Sept 30 ($m)

	Accrual basis 1988	Cash basis 1988	Cash basis 1987
Assets			
Cash and cash equivalents	41.6	41.6	50.7
Client accounts receivable – net	119.2	25.4	25.4
Investments and advances to foreign affiliates	27.7	27.5	21.9
Equipment and leasehold improvements – net	75.3	68.7	67.6
Other assets	35.0	32.8	25.5
	298.8	196.0	189.0
Liabilities and partners' equity			
Payable to retirement plans and other liabilities	47.9	26.2	21.1
Long-term debt	60	60	60
	107.9	86.2	81.1
Partners' equity			
Paid-in capital	69.9	69.9	62.6
Undistributed cash earnings and other invested capital	39.9	39.9	45.3
Additional equity	81.1		
Total equity	190.9	109.8	107.9
	298.8	196.0	189.0

ERNST & WHINNEY balance sheet Sept 30 ($m)

	Accrual basis 1988	Cash basis 1988	Cash basis 1987
Assets			
Cash and cash equivalents	29.6	29.6	49.6
Client accounts – inventories	177.1	24.1	25.9
Investments and advances to affiliated firms	10.1	10.1	7.4
Equipment and Leasehold improvements – net	118.7	118.7	101.1
Other assets	36	19.5	8.6
	371.5	199.8	192.0
Liabilities and equity			
Payables to retirement plan and other liabilities	43.5	36.0	31.1
Advances from *clients*	6.5	6.5	5.5
	50	41.5	36.6
Partners' and principals' equity			
Paid-in capital	94.0	94.0	80.7
Undistributed cash; earnings	64.3	64.5	72.3
Additional equity	163.2		
Total equity	321.5	158.3	158.0
	371.5	199.8	192.5

Information document figures

By David Waller

READERS learned last week how much US partners in four of the big firms paid themselves last year. Now there are details of the operations statements and balance sheets of Arthur Young and Ernst & Whinney in the US. The data are taken from the *(confidential) Information Document* circulated to partners in the two firms before they merged last year.

The operations statements show the market has been growing a lot more slowly than in the UK; growth in fee income for the US firms has not exceeded 15 per cent a year in the last five years. The UK arms have been growing at 20 per cent or more a year.

While growth in US fees has been broadly the same, Ernst & Whinney was more profitable than Arthur Young: after taking pensions and other factors into account, the return on fee income was forecast to be 24 per cent for E&W in 1989, 15.5 per cent for Arthur Young. Total return on fee income dropped from 18.6 to 15.5 per cent for Arthur Young, from 25.6 to 24 per cent for E&W.

The firms' balance sheets differ markedly. Arthur Young had much more cash than E&W, both in absolute terms and obviously as a proportion of total assets. But AY was much more highly geared than its merger partner, with long-term debt of $60m giving a ratio of long-term debt to equity of 31 per cent. E&W had no long-term debt and was financed largely by equity from its own partners.

COMPARATIVE SUMMARY OF OPERATIONS

ERNST & WHINNEY

(Figures in $m)	1985	1986	1987	1988	1989 (forecast)
Total Revenues	809	903	1,036	1,174	1,318
Cash earnings for allocation	189.3	211.8	238.4	260.9	288
Accrued Earnings available for distribution	220.4	240	274.8	293.2	331.3
Average number of partners	1,012	1,079	1,142	1,236	1,260
PER PARTNER – Sums in Thousands of Dollars					
Cash earnings available for allocation	187.3	196.3	208.5	211.9	228.1
Contributions to pension trusts	12.5	13.3	13.9	14.6	14.8
Interest on capital investment	7.1	6.4	5.7	6.6	7.9
TOTAL	206.9	216.0	228.1	233.1	250.8
Accrued earnings	217.8	222.4	240.6	237.2	262.9

ARTHUR YOUNG

(Figures in $m)	1985	1986	1987	1988	1989 (forecast)
Total Revenues	574	652	738	843	939
Cash earnings for allocation	105.0	115.8	131.8	134.6	133.8
Accrued Earnings available for distribution	114.6	137.1	153.2	146.9	166.0
Average number of partners	765	763	807	836	871
PER PARTNER – Sums in Thousands of Dollars					
Cash earnings available for allocation	134.6	145	164.1	161.4	156.1
Contributions to pension trusts	7.1	7.2	7.2	7.3	7.0
Interest on capital	3.1	5.7	6.3	7.0	6.8
TOTAL	144.8	157.9	177.6	175.7	169.9
Accrued earnings	149.8	175.1	189.8	175.3	190.6

ACCOUNTANCY APPOINTMENTS

Finance Director

Winchester **£35,000 + bonus + car**

A wholly owned subsidiary of a successful plc, our client manufactures and distributes technical products. Turnover is in the order of £6 million.

Reporting to, and working closely with, the managing director, the finance director will assume total responsibility for the finance and accounting functions of the company and will participate actively in the overall management of the business. The finance director will play a key role in the development and future growth of the company.

The successful candidate will be a qualified accountant with proven financial management abilities gained in a manufacturing environment. Previous experience in the development and implementation of internal controls, computerised systems and management information is essential. A keen commercial awareness, and the ability to contribute effectively in a hands-on, team environment are necessary.

Please send career and personal details, quoting reference F/690/F to Frances A Bell at Ernst & Young Search and Selection, 21 Conduit Street, London W1R 9TB.

SEARCH AND SELECTION

Ernst & Young

Appointments Advertising

appears every Wednesday and Thursday. (Friday International Edition only). For further *information please call:*

01-873 3000

Elizabeth Arthur ext 3694

Nicholas Baker ext 3351

Jennifer Hudson ext 3607

Richard Huggins ext 3460

Adam Futeran ext 3559

Sarah Gabe ext 3199

Stewart Maddock ext 3392

Finance Director

London

£40,000 + Car + Share Options

This major Division (t/o £20m) of an acquisitive medium sized UK plc is involved in the photographic sector. The Group's strategic direction has been effective in producing strong growth.

In addition to having accountability for the effective operation of the finance function, the successful candidate will be expected to contribute to the strategic growth of the Division and therefore must be able to demonstrate broad commercial skills.

This is a very hands-on assignment initially. Key areas of responsibility will involve the development of existing computerisation, ensuring the maintenance of tight financial controls and evaluating future growth opportunities both in the UK and internationally.

Candidates should be qualified accountants, age indicator 35-40, ambitious, with proven interpersonal skills, commercial experience and strong personality preferably gained in a distribution or f.m.c.g. environment.

The future prospects within this dynamic organisation are exceptional and extend beyond the financial area.

Please telephone or write enclosing a full curriculum vitae quoting ref: 404 to:

Nigel Hopkins FCA,
97 Jermyn Street,
London SW1Y 6JE
Tel: 01-839 4572

Cartwright Hopkins

FINANCIAL SELECTION AND SEARCH

FINANCE DIRECTOR

Manufacturing

Midlands **c£45,000 + bonus etc**

Exceptional career opportunity for a rising finance director/controller to head the finance function in a substantial manufacturing company.

THE COMPANY, turnover c.£100m, produces metal components and operates a multi-site business from its Midlands headquarters. It is a key part of a leading UK group and is expanding organically and by acquisition.

THE ROLE is to manage the finance and computer functions with special emphasis on upgrading information systems to meet the needs of a vigorous, expanding business.

CANDIDATES, age 32-45, will be qualified accountants who have headed a modern financial control function in a substantial manufacturing business; will be experienced in systems development and will have good leadership skills. Contracts management and acquisition experience would be helpful.

Please reply in writing with full CV and quoting Ref 1964 to Waggett & Company, 5 Clifford Street, London W1X 2BX. Tel: 01-494 2551. Fax: 01-439 0222.

WAGGETT & COMPANY
executive search consultants

HEAD OF FINANCE

International Leisure Company

c£25,000+

We are market leaders in our field and are looking for a qualified finance professional to complement the companies rapid expansion. The successful applicant will head up a small existing team and will be responsible for ensuring the companies finance and administrative systems match up to our turnover and profit and growth. Involvement in corporate acquisitions and development of new International and U.K. subsidiaries is required in a role which reports directly to the Group Managing Director.

Please send C.V. in strictest confidence with full details of career and salary progression to The Group Managing Director,

Box A1454, Financial Times, One Southwark Bridge, London SE1 9HL.

COMMERCIAL DIRECTOR

Woking

£40,000 + bonus, car

The UK subsidiary of a successful international group with a turnover of £1 billion, derived from various service *industries is currently looking to expand its £30 million* business in the UK. A commercially-minded person is sought to play a key role in the management and development of the group which currently has 450 employees.

The Commercial Director will be responsible for monitoring and providing support to existing group activities in addition to co-ordinating the development of the group. This will involve the identification and evaluation of acquisition targets. He will work closely with the *Managing Director to whom he will report.*

Candidates, who are likely to be aged between 35 and 45, should have a recognised business qualification, proven financial and analytical skills and be computer literate. Industrial experience and experience of making acquisitions is essential.

A substantial package including bonus, car and executive benefits reflects the importance of this position within the group.

Interested applicants should forward a full curriculum vitae to:

**David Binney,
Kay Consultancy Group Limited,
Thames Valley Office, Kennet House,
80-82 Kings Road, Reading RG1 3BJ.**

KAY CONSULTANCY GROUP
International Executive Search & Management Consultants

Financial Director

Birmingham ***c£28,000 + Car(FX) + Bonus + Bens***

The Client

Our client is a £25 million turnover manufacturing subsidiary of a diverse International Plc. Operating in the dynamic FMCG market they are recognised as a market leader in their field. Following the promotion of the previous incumbent to a general management position within the group they are now seeking to appoint a commercially minded Financial Director.

The Position

Reporting to the Managing Director the successful applicant will be responsible for the formulation and implementation of long term strategic plans including acquisitions and special projects, review of monthly/quarterly and annual results, and the day to day running of the finance department including DP and credit control.

The Person

Applicants must be experienced qualified accountants with a 'hands on' management style, who can demonstrate a successful track record of achievement to date together with well developed inter-personal and commercial skills. Experience of working within the manufacturing sector (ideally FMCG) would be a distinct advantage.

The Rewards

The salary package indicated shows the commitment of our client to attract exceptional candidates. It will include those benefits normally associated with a progressive organisation including relocation expenses where necessary. Promotion prospects are excellent.

Interested candidates should contact ***Nick Stephens*** *on* ***021-233 4450*** *(office hours) or* ***021-445 5055*** *evenings/weekends. Alternatively, write enclosing CV to the address shown.*

Nicholas Andrews
The Midlands
Specialists in Financial Recruitment

Nicholas Andrews, Freepost, 126 Colmore Row, Birmingham, B3 2BR.

FINANCE DIRECTOR

Leisure services – £35m t/o **From £40,000 + car**

Berkshire based, the group is a successful national business, operating with considerable independence within a dynamic plc.

A commercially oriented ambitious accountant with strong management skills is required. Reporting to the Managing Director, he/she will make a substantial input to business strategy and be fully accountable for finance, accounting, MIS and company administration.

The group has a range of activities, providing both products and services to a large customer base, and several regional offices. Recently enhanced computerised systems link these with Head Office and the Finance Director will be expected to lead their continuing development.

A background in fast moving, sales oriented business is essential. Strength of personality and communication skills will be valued as highly as technical ability.

Please send career details, including current salary, to Mike Smith quoting ref. G/303 or telephone him on (0734) 505555 for further information.

KPMG Peat Marwick McLintock
Executive Selection and Search
Abbots House, Abbey Street, Reading, Berkshire RG1 3BD.

QT

Memorandum to Chairmen and Chief Executives who are seeking top calibre Finance Directors.

With the changing and difficult environment in the financial skills market, there is increasing concern about the lack of effectiveness and high cost of traditional headhunting services.

To match the new market needs, QT Search brings a completely new approach to financial appointments in the £40K – £100K salary range.

It guarantees confidentiality to client companies and candidates, under the personal responsibility of a Reed Executive PLC main board member.

It specialises in senior financial appointments and is backed by the full resources and experience of Reed Executive, the first selection consultancy to establish a specialist accountancy appointment service.

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The Chairman
QT Search
Reed Accountancy
76 Cannon Street
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Tel: 01-236 7346

Divisional Financial Controller

London £30,000 + Car

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Our client is undisputedly recognised as one of the world's foremost International design and marketing consultancies with an outstanding reputation for both its creativity and the commercial impact of its work. Through dynamic management, sound strategic planning and innovative solutions provided to clients, this plc has achieved a dramatic increase in the range and scale of its activities.

With an excellent blue chip client base and the opening of new offices across Europe, the expansion achieved to date is planned to continue and as a consequence a Financial Controller is now sought to be responsible for all day to day financial control of an £8m t/o division. Duties will include management reporting, business planning, systems enhancement and treasury matters. The role will require continual involvement in projects of an ad-hoc nature with frequent liaison to all levels and across many disciplines within the business.

Candidates will be qualified accountants, aged 26-30, with an ability to get thoroughly involved and who can bring an enthusiastic and commercial attitude to this highly professional Group. Opportunities within this challenging and stimulating environment are excellent.

Please telephone or write enclosing full *curriculum vitae quoting ref: 403 to:*

Philip Cartwright FCMA,
97 Jermyn Street,
London SW1Y 6JE
Tel: 01-839 4572

Cartwright Hopkins

FINANCIAL SELECTION AND SEARCH

Accountants/Financial Business Analysts
c£25,000 plus benefits

RESPONDING TO THE CHALLENGE OF CHANGE.

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Located at our Head Office in Welwyn Garden City our high calibre team of Management Accountants/Financial Business Analysts plays a vital role in managing the business and helping us make the most of new market trends. Increasing activity and rapid change now creates opportunities for either a qualified Accountant or a Financial Business Analyst with experience in a similar management accounting role.

Management Information

In this key role, you will prepare reports to board level of monthly business activities and trends, making appropriate forecasts and recommendations as well as taking responsibility for the construction and development of the business plan. You will also provide a financial consultancy service to all levels of management within the Division and take responsibility for the computerised management information system.

Expense Control

This role concentrates on the application of tight budgetary control procedures. You will be responsible for all aspects of expense monitoring, forecasting and planning, as well as providing reports up to board level. An essential part of the job will be to further develop the management controls in the flow of information and reporting.

With extensive contact with all levels of management, both these central roles call for good interpersonal skills, business awareness, strong analytical flair and computer literacy. Heading a small team, the ability to manage and motivate staff is also essential.

In addition to attractive salaries, valuable financial sector benefits include low-interest mortgage, non-contributory pension and interest-free season ticket loan. Career prospects are excellent.

Please telephone or send your c.v. to Mike Driscoll, GIPT, Prudential General Insurance Division, Charter House, Parkway, Welwyn Garden City, Hertfordshire AL8 6JJ. Telephone: Welwyn Garden (0707) 338444.

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PRUDENTIAL
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A highly profitable and fast moving company in the media business is seeking a financial controller. The company has a proven commitment to long term growth by organic development and acquisitions.

Specialist knowledge of the industry is less important than the ability to learn fast and manage a young and highly motivated staff.

The ideal candidate will be a young graduate Chartered Accountant but other qualified applicants with appropriate experience will be considered. The Controller will have to lead by example and be able to hold their own in a competitive department in a highly competitive company.

If you think you have the strength of personality and confidence to take on this very demanding post you should send your c.v. in confidence with a daytime telephone number to:-

HODGSON IMPEY

Peter Willingham (Ref 078)
Managing Director
HODGSON IMPEY
SEARCH & SELECTION LIMITED
50 Pall Mall, London SW1Y 5JQ

ACQUISITIONS MANAGER

make a real contribution in this strategic role

Surrey c £35K + share options + car

Our client, an acquisitive UK plc (t/o £45m) with significant overseas subsidiaries, is poised to enter an exciting period of growth, both organic and through acquisitions. They seek an ambitious individual who is looking for increased responsibility and the chance to make a real and visible contribution to the development of the Group.

Reporting to the Group Finance Director, the appointee will be a qualified accountant, aged 28-32 with experience of acquisitions and, ideally, a sound knowledge of corporate taxation. Personal qualities sought include drive, commitment, enthusiasm and the ability to communicate at senior level.

The package includes a basic salary, bonus, share options, company car plus usual fringe benefits.

For further details and an application form telephone Guildford (0483) 300938 (24 hours) or write in confidence with CV to Peter Page, Senior Consultant, 3i Consultants Limited, 3 The Billings, Walnut Tree Close, Guildford, Surrey GU1 4UL, quoting ref: PP/894.

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Nicholas Baker ext 3351

Jennifer Hudson ext 3607

Richard Huggins ext 3460

Adam Futeran ext 3559

Sarah Gabe ext 3199

Stewart Maddock ext 3392

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"Strategic Consultancy"

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Our client is an international management consulting firm specialising in the implementation of strategic change. With more than 20 years' experience working with corporate leaders in the U.S., a London office was established two years ago and *now has more than 100 consultants working* with major "blue chips." Plans are under way to expand into other European cities.

A Financial Controller is required to take overall responsibility for the accounting and financial management of the U.K. operation and to assist in assessing possible acquisitions, or in establishing appropriate entities in Europe. The initial tasks however, will be to enhance the quality of management information and to act as adviser to senior management on all statutory and legislative matters.

A graduate, chartered accountant is required with above average intellectual and analytical ability combined with first rate verbal and written communication skills and a flexible but disciplined approach. Candidates must be able to relate successfully to highly qualified professionals in a knowledge-based business. Previous experience of treasury and corporate and personal taxation is required and will ideally, have been gained in more than one country. A second European language is strongly preferred.

This is an unusual and challenging opportunity to join an energetic, rapidly growing, but highly professional organisation and to make a significant contribution to its future direction.

Please reply in confidence enclosing full curriculum vitae to Carey Jenkins quoting reference UN105.

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PQE

RICHMOND £25,000 + car + package

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Fax: 01-940 1627

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Small subsidiary (c£3m t/o) of high profile micro computer company offers scope for you, to create a finance function to your own specification. Reporting to the young M.D., your brief will be to create, develop and implement all accounting systems. Your other responsibilities encompass monthly reporting, control of project costing, statutory accounts and cashflow forecasting. Directorship prospects form a part of the attractive package.
Ref: 25A161B2

Contact the Manager: 20 Queen Victoria St, Reading 0734 596677
Fax: 0734 591707

Post Qualification Experience – send your CV or phone the appropriate Manager or our Specialist PQE Career Advisers on 01-489 0403 (24 hour answering service) for an application form now.
Reed actively promotes Equal Opportunities.

REED... accountancy

Controller

Finance & Administration

N.Home Counties to £40,000 + Bonus + Car

This well-known and highly successful international consumer products group is committed to maintaining its dominant market position through the further development of a clearly focussed growth strategy.

The UK division is a key participant in the achievement of this strategy and, as a consequence, is seeking to strengthen the calibre of the finance team.

Reporting to the Director of Finance you will be responsible for a 30 strong department. Your initial key task will be to review and project manage the enhancement and implementation of sophisticated management information systems and reporting procedures. You will work closely with senior colleagues and contribute to the raising of reporting standards through the provision of timely and accurate financial information.

A Chartered Accountant, preferably aged 32-38, you will possess the technical competence and professional maturity to lead and motivate a committed finance team. Your experience should have been gained within a large corporate environment. Awareness and understanding of accounting standards, preferably including G.A.A.P. reporting, would be a distinct advantage.

Compensation benefits will include an attractive profit related bonus scheme, fully expensed executive car, non-contributory pension scheme and family healthcare. A generous relocation package will be available if required. Prospects for advancement within this progressive environment are considered excellent.

For further information contact James Hyde on 01-839 7595 or alternatively write, enclosing a detailed CV, to the address below.

ST. JAMES ASSOCIATES

MANAGEMENT SELECTION

32 ST. JAMES'S SQUARE, LONDON SW1Y 4JR FAX: 01-930 7470. TELEPHONE: 01-839 7595.
A GKR Group Company

DIRECTOR OF FINANCE

to £40,000 + car + benefits

One of London's most prestigious teaching hospitals is currently seeking to recruit a high calibre qualified Accountant to play a key role in preparing them for substantial change management in the 1990's.

Reporting directly to the General Manager, and working closely with the 14 clinical directorates created as a result of decentralisation, you will be responsible for developing operational efficiency and planning future hospital services based on expected funds and anticipated demand. A further key task will be to improve the quality of management information and systems to provide a platform for commercial decision making and development of resource management.

Probably, aged in your early to mid thirties, a graduate qualified accountant, you will be able to demonstrate a history of achieving objectives, and the ability to work under pressure with a diverse workload. Outstanding communication skills are pre-requisite, particularly in dealing with general and clinical management and corporate decision-making on non-financial issues.

The remuneration package will be negotiable based on experience and ability and will not be a limiting factor.

Please forward a detailed résumé including current remuneration, quoting Reference No. 10/737, to Jonathan Williams at Morgan & Banks Search and Selection Plc, First Floor, 114 St. Martin's Lane, London WC2N 4AZ. Alternatively contact him on 01-240 1040 to arrange an initial meeting.

Morgan & Banks

LONDON WASHINGTON SYDNEY AUCKLAND

Financial Controller

North of England — **c£40,000 + car + benefits**

Our client is the market leader in the distribution of time sensitive materials within the UK with the administrative centre located in Yorkshire.

This will be a Board appointment, reporting to the Managing Director and working with a team of circa 60. The appointee will be responsible for the financial management of the business and play a key role in the strategic growth of the division.

Major responsibilities are to further develop the systems and controls currently operating, review and implementation of computer needs and the provision of timely and accurate management and financial information.

Candidates will be graduate chartered accountants aged between 35 and 45, with line financial management experience and familiarity with large company culture. Personal skills will include a proactive approach, drive and determination and a desire to take on new challenges. Good communication skills and the ability to perform in a team environment are essential.

The company has an excellent reputation for employee development and will reward success with rapid career progression within the group.

Please send career and personal details to Suzanna E Karoly, quoting reference F/120/K at Ernst & Young Search and Selection, 21 Conduit Street, London W1R 9TB.

SEARCH AND SELECTION

Ernst & Young

Appointments Advertising

For details phone:
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Jennifer Hudson
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Richard Huggins
ext 3460
Adam Futeran
ext 3559
Sarah Gabe
ext 3199
Stewart Maddock
ext 3392

Director of Finance

Prestige Consumer Products

c. £35,000 — Surrey/Kent Border

Highly successful plc subsidiary seeks experienced finance professional for new management team. Quality products, excellent growth potential and strong financial backing. Early appointment to the Board envisaged.

THE COMPANY

◇ Recently acquired subsidiary of £170m turnover plc.

◇ Well established business with track record of profitability entering new phase of growth and development under new management.

◇ £5m turnover c 70 employed in the production, marketing and distribution of premier, fine art related consumer products.

THE POSITION

◇ Member of senior management team reporting to the M.D. with full responsibility for the financial management of the company.

◇ Key task to develop computer systems to enhance the already efficient financial and management information procedures.

◇ Wide ranging role covering financial reporting and management information, analyses, treasury and company secretarial.

QUALIFICATIONS

◇ Ideally certified or cost and management accountant aged late 30s or 40s with *strong computer skills.*

◇ Track record of managing the financial function in a small or medium sized company.

◇ Self starter, hands-on manager with enthusiasm and commitment.

Please reply in writing, enclosing full cv,
Reference J0416
54 Jermyn Street, London, SW1Y 6LX

N.B. SELECTION LTD

LONDON - 01-493 3383
BIRMINGHAM - 021-233 4656 - GLASGOW - 041-204 4334
SLOUGH - 0753 694844 - HONG KONG - (HK) 5 217135

FINANCIAL CONTROLLER

London

£40,000 + Car
+ Bonus + Share Options

megasat

This highly entrepreneurial business has pioneered satellite communications in Europe since its formation in 1981. Today it is recognised as a market leader for professional, network and consumer systems and is currently enjoying the benefits of the present industry boom.

Its enviable reputation for integrity and technical excellence reflects the importance the company places on systems design and customer relationships. Clients include BT International, London Stock Exchange, BBC, Sky, BSB, Harrods and all the major players in European cable.

Turnover is increasing rapidly after doubling each year since 1981.

Reporting to the Chief Executive and monthly direct to the Board, the successful candidate will assume full responsibility for all finance, including the supervision of systems and staff, special assignments, joint venture agreements and most importantly preparation for a market flotation before the end of 1992.

You will be a qualified accountant with specific experience of controlling finance matters within a rapidly expanding company. The age of the candidate is not important, attitude is. Strong negotiation skills, good business acumen and the ability to achieve a Board position are prerequisites.

*Interested candidates should contact **Michael Herst** or **Jon Vonk** on **01-629 4463** (day) or **01-720 1527** (evenings and weekends). Alternatively, please send a curriculum vitae to the address below or by facsimile on **01-491 4705** quoting Ref: MH816.*

HARRISON WILLIS
FINANCIAL RECRUITMENT CONSULTANTS
Cardinal House, 39-40 Albemarle St., London W1X 3FD. Tel: 01-629 4463.

Financial Controller

c£35,000 + car — NW London

This is a highly successful and expanding Plc with a turnover in the region of £9.2m.

Central to its development is the appointment of a 'tough minded', computer literate Financial Controller who will report directly to the Chairman. Responsibility will be for the control of the accounting department and the implementation of a computer accounting system which must provide accurate and immediate financial control to the Board.

This is an excellent opportunity for a resilient and articulate 'shirt-sleeved' Financial Manager to make a major contribution to a growing business.

Candidates aged 35-50, should be qualified and have gained previous financial management experience in a highly commercial environment, possibly within the insurance industry.

To apply, please send CV, *in confidence*, quoting CL/106 to:
Chris Lane, Moores Rowland, 43 Eagle St, London WC1R 4AP. Tel: 01-831-8383

Moores Rowland
Chartered Accountants

European Finance Director

c. 550,000 F. Fr — Paris

Our client is a US company and a leader in high quality office system furniture; sales in Europe are around $70 million. The European headquarters are based in Paris, but extensive travel to the UK and elsewhere in Europe will be necessary.

The Finance Director has a leading role to play in the management and development of the European business, particularly in determining priorities within the overall business plan. Key accountabilities include leading the entire European financial and IT function, planning, forecasting and reporting on the financial implications of commercial decisions.

Candidates should be Chartered Accountants with previous experience of heading up a company or divisional finance function. Multi-national/European experience is essential and exposure to US reporting systems and schedules would be a particular asset, as would a working knowledge of French and/or German. Professional weight and the personal ability to counsel and influence at Board level is equally important.

In addition to salary, there will be a comprehensive executive benefits package.

Please write - in confidence - with full details, quoting ref. 17552 to David Dodd, MSL International (UK) Limited, Broad Quay House, Bristol BS1 4DJ. Tel: (0272) 276617.

MSL International

Company Finance Director

Plus P&L Responsibility For A Business Unit

Quality Furniture Products

West Yorkshire,

To £40,000, Bonus, Car, Benefits

Annual turnover is £30m of this very successful subsidiary of a major UK plc. Aged early to mid 30's, a qualified Accountant with a proven business record, your role will be to ensure the highest quality of financial management throughout a closely knit professionally run multi sited business. Key future developments include the enhancement of systems as well as an active acquisition programme in an *organisation that encourages real autonomy at* operating company level. In addition to your responsibilities as Chief Financial Officer of the company and Board member, you will be personally accountable for the performance and development of a growing £3m per annum turnover business unit which is currently subject to a substantial investment programme. As a complement to your technical pedigree as a financial manager you must have a high level of communication and interpersonal skills. An ability to make a substantial contribution in a very challenging, dynamic and achievement oriented organisation is essential.

J.A. Thomas, Ref: L13153/FT. Male or female candidates should telephone in confidence for a Personal History Form, 0532-448661, Fax: 0532-444401, Hoggett Bowers plc, *7 Lisbon Square*, LEEDS, *LS1 4LZ.*

Hoggett Bowers

BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, EDINBURGH, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM, ST ALBANS, SHEFFIELD, WINDSOR and EUROPE

F. D. DESIGNATE

Lincolnshire — c£25,000 + Car

Our Client, a subsidiary of a Public Group, design, manufacture and market high quality packaging materials. The company, with a turnover of £13 million, employs 400 staff operating from a number of UK locations, and has, in addition, a European subsidiary.

This key appointment involves a broad range of activities, with a principal function to co-ordinate and *develop the efficient financial* management *of the company. The role will be pro-active* and will involve financial and commercial decision making at senior level.

Applicants will be qualified Accountants with genuine financial, commercial and interpersonal skills. With the ability to lead a small team, a good understanding of computerised systems is essential, ideally gained from a manufacturing background. Age indicator 28-40 years.

Overall this is a rare opportunity to become involved in an exciting programme of business development with a progressive Group. In addition to outstanding career prospects, an extensive remuneration package is on offer with a generous range of supporting benefits.

Please write with full career details, including current salary, and quoting Reference L/128/89 to Simon Clements.

KPMG Peat Marwick McLintock
Executive Selection
Arlen House, Salisbury Road, Leicester LE1 7QS. Telephone (0533) 471122

Finance Director (Designate)

Excellent Potential — The Midlands

Subsidiary of Major Plc — **Circa £30,000 + Car**

Our client, a successful autonomous subsidiary of a major British Plc, operates in the Midlands and is a leading supplier to a specialised section of the motor trade. It has an excellent reputation, is highly profitable and has the potential to develop its operations further. They now seek a high calibre Finance Director Designate.

Reporting to the *Managing Director you will lead* a *small head office team* responsible for the accounting and financial control of the company. Key tasks will include the timely production of financial and management information, budgeting, capital expenditure control, systems development and enhancement.

Candidates should be qualified accountants of graduate calibre, probably aged 26 to 33. The business is poised for further development and a strong commercial awareness is therefore essential. Good computer skills and an ability to take a 'hands on' approach are further requirements for this key position. In addition you must be highly motivated with strong leadership and intellectual qualities and be able to demonstrate first class technical and interpersonal skills.

This is a senior appointment and has excellent career prospects. Location is in the Midlands and there is an attractive remuneration/relocation package for the right candidate.

If you are interested, telephone Stuart Adamson FCA or Graham Marlow on 0532 451212 or send your CV, in confidence, quoting reference number 710, to Adamson & Partners Ltd., 10 Lisbon Square, Leeds LS1 4LY. Fax number 0532 420802.

ADAMSON & PARTNERS LTD.
Executive Search and Selection

Head of Financial Consultancy

Home Counties to £60,000+car

Our client is a major international management consultancy practice with an enviable reputation for excellence. Sustained growth and rapid regional development has created a rare opportunity to join this prestigious firm at senior management level.

The requirement is for an outstanding consultancy manager to build a significant financial consultancy practice in an economically buoyant region with high growth potential. This will form an integral part of the firm's broader management consultancy activities, which include marketing, I.T., human resources, manufacturing and distribution consultancy services.

The major responsibilities of the position will include initiation and development of business, managing assignments and the recruitment and development of a team of high calibre consultants. Existing clients range from small and medium sized companies to major international groups, across a variety of business sectors. Assignments are likely to focus on business planning, treasury operations, cost management systems, financial control and financial reporting systems.

Candidates, aged 30 to 45, must be qualified accountants of graduate intellect, who can demonstrate a strong track record of achievement gained in both industrial financial management and, latterly, at a senior level in a major management consultancy. Strong communication skills, self-motivation, energy and achievement orientation are prerequisites of the appointment.

The salary is negotiable to £60,000 and there is a comprehensive benefits package, including relocation assistance where appropriate. There is considerable scope for advancement, both nationally and internationally.

Interested applicants should write to **Alan Dickinson ACMA** quoting reference **2618** at **Michael Page Finance, Executive Division, 39-41 Parker Street, London WC2B 5LH.** Telephone 01-831 2000.

MP
Michael Page Finance
International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

FINANCIAL MANAGER

Salary £22,600 plus performance related pay

Dorset Family Practitioner Committee, responsible for the *management of services provided by family doctors,* dentists, pharmacists and ophtalmic practitioners at an annual cost of some £65m, seeks a suitable person to take responsibility for its financial affairs, to provide expertise to fellow members of the Committee's senior management team and to help monitor, and advise practitioners facing radical change as the result of two Goverament White Papers.

The successful candidate will ideally possess a recognised *accounting qualification and previous experience of NHS* Finance will be an advantage but personal qualities and skills are paramount.

Job description/information pack from:-

Personnel Officer
Dorset Family Practitioner Committee
Victoria House
Princes Road
Ferndown
Dorset BH22 9JR
(Tel: 0202 893000)

Closing date for applications - Monday 5 March 1990

In fact, as one of Britain's leading Finance Houses with a national network of branch offices and a major subsidiary of the National Westminster Bank Group, we can provide a truly progressive environment in which to explore your full potential.

We're keen to talk to qualified accountants about the exciting and varied opportunities across our business areas including our Head Office at Redhill. This is an ideal opportunity for you to talk to us informally about the excellent financial sector benefits and first-class career prospects available throughout the Group.

Accountants

Lombard
The Complete Finance Service
Lombard North Central PLC
A member of the National Westminster Bank Group

OPEN EVENING

Talk to us between 5.30 and 7.30 p.m. on Wednesday, 7th February at Redhill, Surrey.

We have all the options you need . . . and a lot more besides.

If you're an ACA, ACCA or ACMA, with between one and five years' post-qualification experience, come along to our modern Head Office, just two minutes walk from Redhill station, and find out how we can help advance your career.

If you can't make it, please write with brief cv, quoting reference FT1, to Ursula Robinson, Lombard North Central PLC, Lombard House, 3 Princess Way, Redhill, Surrey RH1 1NP.

Lombard North Central PLC is an equal opportunity employer and positively welcomes applications from all sections of the community.

Financial Controller

North West London to £35,000 + car

Our client is a young and highly ambitious company specialising in importing and marketing contemporary office furniture. Established in 1985, both staff and turnover have more than quadrupled and the company anticipates further dramatic growth in the next few years. They are already recognised amongst the market leaders in their field and have future plans for diversification and expansion. As a consequence, they have identified an urgent need for a Financial Controller.

Reporting directly to the Managing Director, the candidate will be a qualified accountant with proven management and commercial skills. They will assume immediate responsibility for all financial and administrative functions, and will be expected to make a significant contribution to the future growth and development of the company.

Ideally, candidates should be aged between 27 and 34, with achievements in the field of business development and strategy planning. A graduate ACA/ACMA/ACCA with stamina and genuine commitment are required for this challenging and demanding role. There are excellent prospects for a high calibre candidate, in line with the predicted future growth of this company.

Interested candidates should send a detailed CV, including current salary and daytime telephone number to Carol Jardine at Spicers Executive Selection, 13 Bruton Street, London W1X 7AH quoting reference LM 113.

SPICERS EXECUTIVE SELECTION
A MEMBER OF SPICER & OPPENHEIM INTERNATIONAL

Controller
FINANCIAL ACCOUNTING

to £34,000+Car+Reloc. Pkg+Benefits

The client is a major U.K. designer and manufacturer of High-Tech electronic systems, based in the South East, whose capability in advanced technology has taken them to the forefront of the world's markets. Growth and success in recent years can be attributed to various other factors, which include the ability to deliver promptly within budget and to provide first class support. Also the implementation of and adherence to strong accounting, procedural and control mechanisms, have combined to consolidate their reputation worldwide.

As Controller-Financial Accounting you will report to the Financial Director and assume overall reponsibility for the Financial Accounting, Cash Management and Internal Audit functions. More specifically, this will include the supervision of a strong management team responsible for the Bought and Sales Ledgers, the preparation of Statutory Accounts, fixed asset accounting and foreign currency management, together with systems design and implementation, payroll and the definition of cash management policies and procedures.

Candidates (aged 28+) will be qualified Accountants, ideally with exposure to an industrial environment gained from either a medium to large manufacturing organisation or the professional audit environment. A state of the art understanding of modern accounting techniques, together with first class man-management and interpersonal skills are essential criteria. They will be innovative, proactive and confident, possessing the ability to display the energy, initiative and flair required to meet the continuing challenge that this role will present.

For further information, please telephone or write, in strictest confidence, enclosing full career details, to David Goodrich, Firth Ross Martin Associates Ltd., Search and Selection Consultants, Bell Court House, 11 Blomfield Street, London EC2M 7AY Telephone 01-628 2441 Fax 01-382 9417.

Firth Ross Martin
FIRTH ROSS MARTIN ASSOCIATES LTD.

CHALLENGING OPPORTUNTIES WITHIN AN EXPANDING GROUP

Yorkshire

This highly acquisitive group has grown substantially over the past five years creating a divisionalised and diversified organisation employing in excess of 6,000 people with a worldwide turnover of £300M+. Internal promotion within one of the group's major divisions, which operates through a number of specialist and autonomous engineering companies, has created two influential management positions.

Divisional Financial Controller

c£35,000, car

Reporting to the Divisional Chief Executive and working closely with him, the role will be all embracing involving the profitable development of the division's activities. A key element of the position will be formulating a total business strategy together with direct involvement in the commercial aspects of major contracts, many overseas based. Aged 30-45, qualified and commercially aware, candidates should have an engineering background, preferably including major projects. The ability to operate with the minimum of direction and work closely with unit management is essential for success. Quote reference: (F.T. 353C).

Financial Director

c£30,000, car

To provide the financial and commercial controls for this high technology based process plant manufacturer with a turnover of £15M and employing 200+: emphasis is placed on advising colleagues on all factors affecting the business profitablility and growth strategy. With a number of years experience in a contract/job costing environment, the successful candidate will be 30+, a qualified accountant, have operated in a senior accounting role and be familiar with computerised systems. Quote reference: (F.T. 354C).

Both the above positions are based in an attractive part of Yorkshire. A comprehensive benefits package, including relocation, is available.

Candidates should send a comprehensive c.v. or telephone for an application form to Howgate Sable & Partners, Arkwright House, Parsonage Gardens, Manchester, M3 2LE. Telephone: 061-839 0089 quoting appropriate reference.

Howgate Sable
EXECUTIVE SEARCH AND SELECTION

CORPORATE STRATEGY

Major West Country Enterprise

This Successful, publicly quoted service organisation has once again achieved record profits, and, with access to considerable funds, has ambitious plans for growth and diversification.

To support these plans, two new high profile positions have been created which offer a significant degree of autonomy and variety in the provision of strategic investment advice to the Board.

Strategic Financial Planner c.£40,000

Assisting the Group Finance Director in the formulation of strategy and evaluation of strategic options, you will be responsible for considering acquisition targets and new business activities, their evaluation and appraisal, and subsequent negotiation and integration into the Group. You will also advise on funding, structure, reporting and taxation implications.

It is therefore essential that you have a business mind capable of rapidly grasping and developing commercial issues, together with the flexibility to work with the minimum of guidelines.

A Chartered Accountant aged 28-35, you must have demonstrable experience in this field, possess a high degree of motivation and commitment, credibility in dealing with external advisors, and the desire to contribute to the successful expansion of the organisation.
Ref: PEX/4027/FM

Investment Analyst c.£30,000

Reporting to the Strategic Financial Planner, you will provide high quality and detailed financial and market analysis to support the Board's decision making. With a capital investment budget exceeding £1bn in the next ten years, you will advise on investment strategy for both Group and main operating units, assessing market trends and ratios and advising on timing and priorities.

Aged 25-35 and ideally a qualified accountant or MBA, you should have the experience and ability to establish this function and create sound relationships with external advisors and brokers, necessitating a breadth of high level business and financial analytical expertise.
Ref: PEX/4028/FM

To apply for these positions, please send a cv, indicating current salary, and quoting the appropriate reference, to Fiona McMillan, **PA Consulting Group**, Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060.

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HUMAN RESOURCES
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EXECUTIVE ACCOUNTANCY ROLES
South East
International High Technology Corporation

This blue chip multinational group, established in 1981 has researched and developed microprocessing technology with emphasis on a truly automated means of transmitting information. A multi-million pound annual turnover and an outstanding *record of growth and profitability* has resulted in the need for:

COMPANY ACCOUNTANT (Director Designate) — c £27,000 + Car + benefits

Reporting to the Managing Director and European Board, you will be solely responsible for financial control of the UK operations.

With the potential for a Board Appointment within 12 months this position offers exceptional scope to personally influence the shape of the company and to play a key role in its future direction – ideally Stock Exchange flotation within 3 years.

A qualified ACMA/CIMA in your late 20's, you will have up to 5 years successful financial management *experience in the commercial arena.* Computer literacy together with strong communication and management skills are essential. Fluency in French would be advantageous.

For a flexible, decisive and ambitious individual this position offers an outstanding challenge in corporate development.

COMPANY ACCOUNTANT — c £20,000 + benefits

Reporting to the Director Designate you will contribute significantly to the future growth and success of *the company. This all encompassing* role will include preparation of management accounts; control of all aspects of sales, purchase and nominal ledger administration combined with the ability to set up systems and provide timely and accurate information for Board Management.

This position represents an excellent opportunity for qualified ACMA/CIMA, aged early *20's with at least one year's commercial experience.* Prospects for progression to Chief Accountant (UK Operations) are well defined.

Please write in confidence to Helen Krischock or Gina Gallagher, at:

Argosy Search and Selection Ltd.
Suite 28, Beaufort Court, Admirals Way,
South Quay, Waterside, London E14 9XL.
Tel 01-537 3717 Fax: 01-538 9925

ARGOSY
SEARCH AND SELECTION

Corporate Financial Manager

City — **c£45,000+bonus+car**

Legal & General is one of the outstanding success stories in the British insurance industry with *significant international business interests.*

We have a small, high quality, central finance team based in the City and are now seeking an *experienced professional for an important position* in our Group Financial Control department.

Reporting directly to the Group Financial Controller *you will take responsibility within* the department for all aspects of our external financial reporting and play a key role in our corporate finance activities. The scale and variety of our business makes this a challenging appointment which offers the broadest scope.

Candidates must be qualified accountants, probably in their early thirties, with experience of Stock Exchange reporting. Your current background may be in a manufacturing environment.

This position offers a highly attractive salary and a performance related bonus, plus a car, and benefits which include profit sharing, non-contributory pension and free medical insurance.

For further details please reply in confidence, with a detailed CV to: **P. J. O'Sullivan, Personnel Manager (Group), Legal & General Group plc, Temple Court, 11 Queen Victoria Street, London EC4N 4TP.**

Legal & General

Legal & General is an equal opportunities employer

DERIVATIVE PRODUCTS MANAGER – TRADER SUPPORT

ACA/MBA — Aged 25-35 — c£50,000 + Car + Bonus + Benefits

The creative momentum of a multi-currency derivative products team at an established US based Investment Bank, draws on an essential analytical support group.

An exceptional individual who has ambition to broaden product knowledge and risk management *skills, will find the management of* this trader support function a stimulating challenge.

As intermediary for traders, operations and accountants in London, Tokyo, Australia, Canada and New York, responsibilities will include day to day management of all accounting and operational issues arising from trading.

The products involved include swaps, and interest rate, currency and stock index options. Experience of these would be an advantage, but the major criteria for selection will be drive, numeracy, strong interpersonal skills and evidence of achievement.

Commitment and ability will be highly rewarded, and career prospects for this key role are excellent. We are inviting applications from top quality accountants and MBA's who wish to join a leading American *Securities operation.*

For an initial discussion please contact Bianca Coulter on 01-437 0464 or write, enclosing your career history, to the address below.

ROBERT • WALTERS • ASSOCIATES
RECRUITMENT CONSULTANTS
Queens House 1 Leicester Place London WC2H 7BP
Telephone: 01-437 0464

Chief Financial Officer

Advertising, Public Relations and Marketing Group — Jeddah

US Dollars 60,000 Tax Free + Expatriate Benefits

This new position reports to the Director General of a well established and successful advertising, public relations and marketing group. The group is actively expanding its range of interests both by internal growth and by company acquisition and seeks an experienced Chief Financial Officer to be responsible for financial management during this period.

The Chief Financial Officer will be responsible for the finance function with particular emphasis on:

* establishment of group wide financial procedures
* funds management
* project evaluation
* development of computerised management reporting and financial controls.

The group is offering long term career prospects. Additional to the basic salary are expatriate allowances for car, housing, airfares, other benefits.

The successful candidates, a graduate with a UK or US accounting qualification, is likely to be either an experienced Finance Manager who is looking for a career move within the Middle East, or a younger accountant with some commercial experience wishing to develop with the group. Personal qualities of leadership and initiative are very important.

Age range 30 — 45: Good written and spoken Arabic is essential.

Please send career details including salary history, quoting reference JA/50 to: John Allen; Ernst & Young, Executive Recruitment Division, P.O.Box 140, Manama, Bahrain.

YOUNG FINANCE DIRECTOR

West Midlands — **c. £35,000 + car + benefits**

Following a reorganisation of its *manufacturing facilities, this £30m turnover* subsidiary of a well-known plc is in excellent shape to capitalise on the strong position it already holds in its niche marketplace. Following this appointment, a *highly capable and dynamic management* team will be in place to develop the business aggressively, thereby increasing profitability substantially.

One of your main initial aims will be to ensure that, with lines of *communication much shorter, reporting systems are improved* and the philosophy of tight financial control is understood and practised at all levels. There is plenty of scope here for you to make a significant personal impact and for this to be recognised in the form of a better informed commentary on business operations and quantifiable improvements in key performance criteria. The business will be adopting a very active development policy and your professional input will be crucial at all stages in this programme.

The company culture is demanding, fast-moving and results-orientated. To be a success here, you will need to be a highly intelligent, *qualified,* young professional with a well-developed "feel" for business, supported by practical experience in industry. The Group has a record of providing exceptional career opportunities for its young executives and of rewarding them impressively for effective performance.

Please apply to our Manchester office, where your contacts are Dudley Harrop or Audrey Shaw. — **Ref M336.**

ASB RECRUITMENT LTD

Amethyst House, Spring Gardens,
Manchester M2 1EA. Tel: 061-834 0618
Fax: 061-832 9123

Also at: Birmingham, Leeds, Liverpool, Nottingham and Swindon

A Division of ASB Bassett Kinnings Plc

FINANCIAL CONTROLLER

HEDSORBOARD, a privately-owned British Company, is the *UKs* leading board merchant supplying packaging and graphic boards to printers, cartonmakers and converters.

A successful Company based on 3 sites with current turnover of £20m, we require a qualified ACCA/CIMA to undertake responsibility for all aspects of the financial management of the Organisation. As a key member of the management team the successful candidate will have a practical but innovative approach to improving the quality and presentation of management information. Effective use of computer technology is an important part of this role. Key objectives include:

- Preparation of Financial and Management Accounts.
- Improvement of Management Reporting Systems.
- Co-ordination of *bi-annual budget preparation.*
- Management of a small highly motivated team.

Candidates should be aged 28-35 with at least 2 years post qualified experience. Excellent interpersonal skills are essential, combined with drive and initiative.

SALARY: £25-30K + CAR AND BENEFITS

Please write in confidence, enclosing a full CV, to:

Michele Birtles
Personnel Manager,
Hedsorboard
Tolworth Tower,
Ewell Road
SURBITON
Surrey KT6 7EL
Tel: 01 390 3671

guaranteed excellence

A role combining technical ability with "up front" communication

You *will* already *have* a financial *technical* background, and will be used to the preparation of budgets and forecasts and ideally analysing the profitability of new and existing business. For this challenging role however, you will also need the maturity and confidence to present this information to our customers in the form of "face to face" presentations and written documents as part of a negotiating team.

FINANCIAL CONTROLLER

c. £24,000 + car + PPP — **BRISTOL**

We are Lloyds Bowmaker, a member of the Abbey Life Group and one of the UK's leading finance houses. As a Division of the Group we specialise in the provision of leasing finance for business equipment.

Although financially and technically minded you also need to see the wider implications of our business upon our customers when evaluating proposed new business ventures and developing financial planning and forecasts to achieve the goals and objectives of the Division.

As a Qualified Accountant with a background of 4-5 years' commercial experience, ideally in the leasing industry, you will be computer literate and familiar with FCS and Lotus. You will have excellent interpersonal skills and the potential to take on a people-management role developing relations with staff and suppliers. You may possibly be a graduate, though this is not essential as experience is more important than formal qualifications.

Ideally the position would suit a Financial Analyst or Financial Accountant with leasing experience looking for career development.

In addition to our attractive salary we also offer a benefits package consisting of a company car, PPP private health cover, non-contributory pension, excellent relocation package, mortgage subsidy and preferential loan scheme.

Please telephone for an application form or write with full career details plus current salary to: Teresa Bailey, Personnel Department, Lloyds Bowmaker, Business Technology Finance, Finance House, 80 Stokes Croft, Bristol, BS1 3QW. Telephone (0272) 248080.

Lloyds Bowmaker
Business Technology Finance

Management Accountant

Retailing Chain

West of London

c.£24,000 p.a. + car

Our client is a high-profile retailing operation with well over 100 outlets across the U.K. Recognised as the market-leader in its own field it sets the trading standards that its competitors strive to emulate.

A major expansion programme involving the upgrading and enlargement of the retail network has necessitated a dramatic and significant enhancement of the accounting function at head office.

A Management Accountant is to be appointed who will take personal responsibility for the implementation and development of a computerised integrated accounting system.

The role will develop into a function of considerable scope and variety centreing on the production, analysis and interpretation of all management accounting data. In addition, the person appointed will be expected to *communicate effectively with senior managers in* ensuring that adequate accounting standards are established, understood and achieved by the relevant operational and retail staff.

Applicants, aged around 25, must be fully qualified accountants with relevant experience gained in a multi-branch retail group. Of paramount importance is an intimate knowledge of networked EPOS systems used in high-volume *fast-moving consumer products* retailing. Well-developed communication skills are a pre-requisite with the ability to relate well to staff at all levels, often in demanding and pressurized situations.

As the company and its parent group continue to expand, future career opportunities are excellent.

An initial salary c.£24,000 p.a. is envisaged. A company car and a range of fringe benefits completes the package.

In the first instance applicants should send a comprehensive C.V., including details of salary progression, to Brian Hodges acting as advisor to the company at Resource House, 8A High Street, Epsom, Surrey KT19 8AD. Alternatively telephone Epsom (0372) 744311 to request an application form.

Resource & Development Ltd.
SEARCH · SELECTION · APPRAISAL · TRAINING

FINANCIAL CONTROLLER

An opportunity to join a fast growing, privately controlled company operating in construction materials. Ennemix Group is a significant, independent producer operating in the Midlands, East Anglia and South Coast regions.

The position entails full involvement and responsibility for assessment and control of Group cash resources within budgetary projections. The person will also be responsible for producing some of the Group's financial accounts to audit standard, and will have a *direct* responsibility for the finance of the operating subsidiaries of the Group and monitoring that they adhere to these financial targets.

This is a demanding job where a broad scope of financial management and accounting skills is essential, as is a *willingness* to take a *personal* involvement and dedication in the Group's achievements and targets. If you are ready to take on the hard work, the position offers excellent rewards.

Send a comprehensive curriculum vitae to C.V.Mcleod, Chief Executive, Ennemix Holdings *Limited,* East Street, Bingham, Nottingham NG13 8DS.

To £50,000
+ CAR + PARTICIPATION

European Financial Director

This multi-divisional subsidiary of a diversified US high technology company is seeking a graduate qualified accountant with international experience to organise, develop and manage their financial and administrative functions across Europe.

This person will assume full responsibility for, on a Pan-European scale, overall expense controls, financial reporting and analysis, management reporting and budgeting whilst ensuring the provision of accurate information on a timely basis into the field and to Corporate US Headquarters. The position will also require the development of micro-based systems and the extension of worldwide accounting and reporting packages; compliance with SEC and local statutory requirements, and management of the European treasury and tax situation.

American corporate exposure and experience in applying creative, practical solutions to ongoing and developing issues in a multi-country situation are essential. The position is located in the M4 corridor and will involve some international travel of short stay duration.

Please send résumé, including details of present remuneration and giving a daytime telephone number to *Adrian Edgell, Coopers & Lybrand Deloitte Executive* Resourcing, 9 Greyfriars Road, Reading RG1 1JG. Telephone 0734 597111 quoting reference AE802.

Coopers & Lybrand Deloitte | Executive Resourcing

Coopers & Lybrand Deloitte is the business name used by Coopers & Lybrand and Deloitte Haskins & Sells in the UK. The two firms are to merge on 29 April 1990.

DIRECTOR OF FINANCE

West Midlands £50K & excellent package

Our client, one of the top 100 public companies in the UK, is an acquisitive and innovative retail and distribution organisation.

The Company now wishes to appoint an individual of outstanding ability and potential as Director of Finance for a £250m turnover retail subsidiary based in the West Midlands. Reporting to the Managing Director the position will entail responsibility for all aspects of finance and involvement in commercial decision-making.

It is anticipated that the successful applicant will make a significant impact on the future growth of the business.

Applicants will be probably aged over 35, be professional accountants, and must have experience of computerised retail systems. Personal characteristics will include a strong personality, ambition and excellent communication skills.

If you wish to be considered for this excellent career opportunity please apply in confidence to Paul Fairley, at the address below or telephone him on 01-629 3555

Brian Ingram Associates

Brian Ingram Associates 70/71 New Bond Street, London W1Y 9DE

Financial Controller
(with an entrepreneurial spirit)

c£30-£35,000 + car
(South West)

Our client who is a specialist in the development, marketing and support of software tools for IBM mainframe systems, now wishes to appoint a Financial Controller.

This new position reports to the Managing Director with responsibility for establishing the financial function within the company. In this start up situation you will design and implement financial and management accounting systems which will cover its UK and *overseas operations and then manage* the accounting function. The position carries responsibility for both *management and statutory reporting,* as well as treasury and company secretarial duties.

Applicants should be a qualified accountant in their 30s, with a good *grounding in commercial accountancy in a computerised environment.* A high degree of computer literacy in financial systems and PC modelling is essential. The position will appeal to a confident and ambitious individual who is seeking *greater autonomy.* Energy and self-*motivation* will be vital to keep up with the pace in the company's informal and lively working atmosphere.

A first class remuneration package will be negotiable to include a pension, 2L Granada or equivalent and private medical cover. Relocation expenses will be paid where appropriate.

Please apply in writing enclosing a *full CV with salary details and quoting* reference MCS/8989 to: Sue Lane
Executive Selection Division
Price Waterhouse
Management Consultants
Clifton Heights
Triangle West
Bristol
BS8 1EB

Price Waterhouse

SENIOR FINANCIAL ANALYST

PAN-EUROPEAN MARKETING ENVIRONMENT

c.£30,000p.a. Plus car and benefits

Duracell is a European market leader in the premium battery sector, with high-profile brands and a reputation for marketing excellence. An independent and successful business, we are committed to continuing our programme of expansion throughout the 1990's.

We now have an opportunity at a senior level in our European H.Q. and seek a Financial Analyst who will be the focal point for financial information relating to all the marketing subsidiaries throughout Europe.

This is a highly visible role, which will involve close liaison with the company's most senior European Managers. Responsibilities will include the coordination, control and analysis of operating unit data, including annual plans and monthly actual information. The accuracy and insight provided by your commentary will directly affect vital business decisions.

Our need is for a qualified Accountant, probably aged 28-35, with proven interpersonal skills and the confidence to influence a dynamic business within the fast-moving consumer goods sector. Previous experience of a pan-European environment and/or fluency in a second language would be an advantage.

The remuneration package will fully reflect the importance of the role, with a salary of around £30,000 p.a. plus fully expensed company car and a comprehensive range of benefits.

Please write, or fax a full c.v. to: Tony Tomblin, Personnel Manager, European H.Q., Duracell Batteries Limited, Mallory House, Hazelwick Avenue, Three Bridges, Crawley, West Sussex RH10 1FQ. Fax No: (0293) 549320.

DURACELL

Merrell Dow Pharmaceuticals Limited

A UNIQUE CAREER OPPORTUNITY

for a high potential

MANAGEMENT ACCOUNTANT

Merrell Dow Pharmaceuticals Ltd is part of Marion Merrell Dow Inc, a highly *successful US based multi-national Healthcare organisation* committed to the ethical Research and Development, Manufacturing and Marketing of Pharmaceutical products.

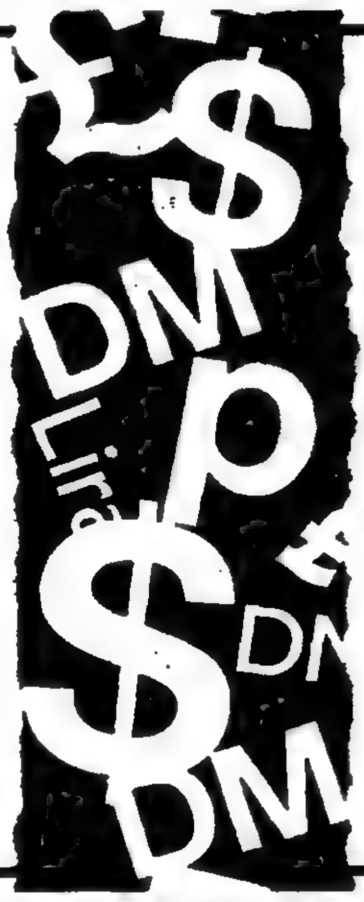
We have a long tradition of success and an ambitious vision for the future. We are amongst the fastest growing Pharmaceutical Companies worldwide and last year our combined global sales were in excess of $2.3 billion.

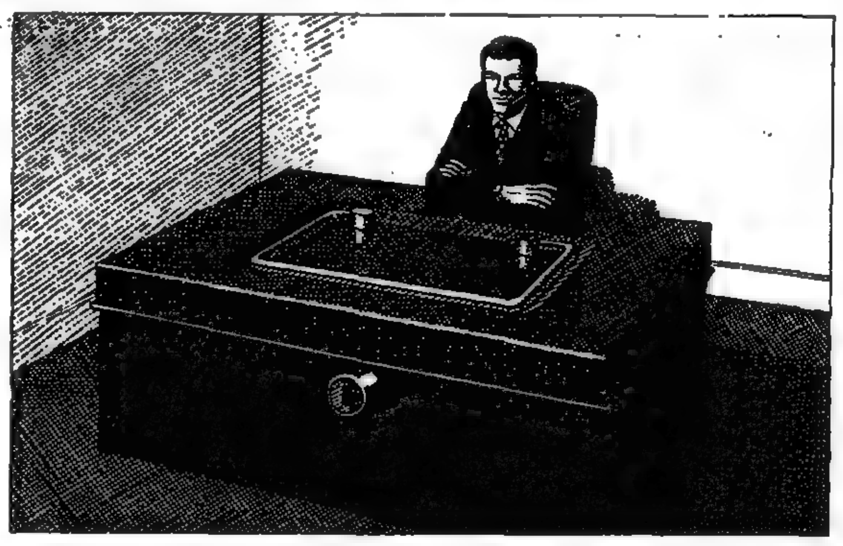
An excellent career opportunity for a Management Accountant has arisen at the *Company's new headquarters,* located in Stockley Park, near Heathrow. The successful candidate will be responsible for the management accounts functions within the Company and will report directly to the *Financial Controller.* As you will need to *familiarise yourself with all aspects of the pharmaceutical business,* self motivation and initiative are essential.

Candidates will ideally be qualified with a positive attitude towards the commercial environment. *Your total commitment to quality will be rewarded by opportunities for* significant career development within this major multinational.

We offer a very competitive remuneration package consisting of a high base salary plus performance related bonus, a flexible and innovative pension plan, car, subsidised health insurance and other significant benefits. Relocation assistance will be provided where appropriate.

For further information please contact *Karen Blackham at Merrell Dow* Pharmaceuticals Ltd by telephone on 01 848 5221, or send your CV to her at Lakeside House, Stockley Park, Uxbridge, Middx UB11 1BE.





Where does an ambitious treasury manager go from here?

For at least three years now, you've done a first-class job in corporate treasury management.

And although still in your late 20's or early 30's, you have developed excellent professional, social and interpersonal skills.

But is your present company giving you the opportunities that you deserve? If not, consider treasury management consultancy with KPMG Peat Marwick.

We're currently looking for ambitious men and women, ideally with ACMA, ACA, ACCA or MCT qualifications.

As a consultant with us, you'll enjoy the challenge of a wide variety of assignments, ranging from multinational corporations to *private companies to public sector* organisations.

You will stretch yourself, advising our clients' most senior management.

You'll work alongside some of this country's highest calibre, most experienced management consultants, often as part of a multidisciplinary team.

And you'll enjoy all the scope for career development we can offer. Write with full c.v. to Karen Church, KPMG Peat Marwick Management Consultants, 1 Puddle Dock, Blackfriars, London EC4V 3PD quoting Ref. FM F90 FT.

You have a future at KPMG Peat Marwick Management Consultants

Group Financial Accountant

North West **c £25,000**

Our client, a substantial publicly quoted company with turnover around £260 million worldwide, designs and manufactures specialised engineering and consumer products. In addition to the U.K., manufacturing facilities are located in the U.S.A., Canada and Europe.

Re-organisation of the Group Head Office accounting structure has created the need for a Group Financial Accountant. Reporting to the Group Financial Controller you will have a small team of professionally qualified staff.

As a key member of the Head Office team you will be responsible for the review and consolidation of financial information including monthly and annual accounts, budgets *and cash-flow forecasts of the subsidiary companies.*

Our ideal candidate will be a Chartered Accountant with at least three years' experience either within a large professional firm or within a Group Head Office accounting function, who will be familiar with all aspects of group statutory and management accounting and reporting systems. Experience of taxation and computerization would be a distinct advantage. The person appointed will be accustomed to working in a dynamic and fast moving environment and possess the personal skills necessary to succeed in this challenging position.

Conditions of employment are those associated with a successful group and include assistance with re-location where appropriate.

Please send a comprehensive C.V. quoting reference *number* 1551 to the Advising Consultant, Nexus Consultants, Gilbert Wakefield Lodge, 65 Bewsey Street, Warrington WA2 7JQ.

N·E·X·U·S
The Recruitment Solutions Company

Practice Director

North Midlands £35,000 + Car + Benefits

Our client is a leading provincial firm of solicitors operating principally in the Midlands and the North West and increasingly in London and internationally. The practice provides a high quality service of specialist and general commercial legal and financial advice to the business community. Continued expansion of activities has identified the need for a Practice Director.

Reporting to the Managing Partner, the prime emphasis of this key appointment is to provide the Partnership with wide ranging support in the management and development of the practice. The Practice Director will assume full responsibility for finance, accounting and all administration services and staff. The individual will have significant involvement in the formulation and implementation of future business strategy.

Candidates, aged 35+, are likely to be graduate Chartered Accountants who can demonstrate sound technical and commercial expertise and a team orientated, hands-on management style.

A commitment to high standards of performance and a professional approach are essential. The role offers an excellent career opportunity, with a high quality of work combined with an exceptional quality of life.

Interested applicants should contact
Mark Hurley BSc(Hons), ACMA at
Michael Page Finance, Clarendon House,
81 Mosley Street, Manchester M2 3LQ
or telephone 061-228 0396.

Michael Page Finance
International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

FINANCIAL DIRECTOR DESIGNATE

Our client, based in Cambridge, is a market leader in the manufacture for sale and hire of laser display equipment and large screen video based products. The Company has achieved significant growth in both sales and profits and following a recent injection of development capital, current sales of £2m are forecast to rise to £6m within three years. The Company now wishes to recruit a FINANCIAL DIRECTOR DESIGNATE to join a young management team to take the Company to the Unlisted Securities Market. He or she needs to be a highly commercial, qualified accountant with strong inter-personal skills. Salary in the region of £30,000 plus benefits with the possibility of bonuses and share options at a later date.

Apply initially to the Company's adviser, Peter Howard-Jones, Jones Golding, Chartered Accountants, 70 Castle Street, Cambridge CB3 0AJ

CITY TREASURER

Package circa £66,500
plus relocation package up to £20,000

Birmingham has established itself as one of the most progressive cities in the European Community through the foresight and achievements of many organisations including the City Council. We have always been regarded as a progressive authority, due to our pioneering development work and policies which aim to provide a first class service to our one million citizens. To achieve that aim, we have an annual budget of over £1 billion and employ around 51,000 people.

Our capital and revenue financing has been crucial to our success and is certain to remain of paramount importance.

You will be responsible for developing and implementing comprehensive strategies and policies; these include major changes in management structure to give both greater freedom and greater accountability to service managers throughout the City Council.

To succeed you will need to have operated in a strategic and financial planning role at a very senior level within a large multi-disciplinary organisation.

Whilst we attracted a high calibre response when this position was previously advertised, we have improved the package on offer to reflect the importance of the job and to make it even more attractive. You can therefore expect a renewable fixed term contract, negotiable but likely to be around five years, a substantial salary, a free car, a personal allowance and additionally a very generous relocation payment.

For an informal discussion please telephone Stephen Ward, Director of Management and Personnel on 021 235 2265.

For an application form and further details, please telephone Denise Cutting on 021 235 4238, or write to her at *Directorate of* Management and Personnel, Birmingham City Council, Snow Hill House, Barwick Street, Birmingham, B3 2PF. (Fax 021 233 1866)

Closing date: 2nd March 1990.

Birmingham City Council

The City Council welcomes applications from all sections of the community, irrespective of race, colour, gender, sexuality or disability.
Job Sharers welcome, no partner necessary

FINANCIAL DIRECTOR

S.W. of London £50K & excellent package

Our client, a large and attractive major UK plc, wishes to appoint a Financial Director for a new division it has created following recent acquisitions. Projected sales for 1990/91 are c£150m.

The appointee, reporting to the Divisional Chief Executive, will be responsible for all accounting and financial matters within the Division and its subsidiaries. He or she will participate as a member of the Divisional Board in the planning of the future growth of the business and will play a key role in improving the operational efficiency and the quality of management information and systems.

The successful applicant is likely to be over 35, be a qualified accountant with a minimum of five years in commerce, and preferably have experience at Director level in a medium sized Distribution/ Service company. Applicants should possess determination, ambition and the ability to communicate at the highest levels.

If you wish to be considered for this excellent career opportunity please apply in confidence to Paul Fairley, at the address below or telephone him on 01-629 3555.

Brian Ingram Associates

Brian Ingram Associates 70/71 New Bond Street, London W1Y 9DE

Utell International

Treasury Manager

Middlesex **to £30,000 + Car**

Utell International, the rapidly expanding hotel reservation and marketing subsidiary of Reed International Plc, has 35 worldwide sales offices operating in over 100 countries. The use of state-of-the-art networked systems to provide the highest level of customer service has led to increased profitability, further establishing their position as innovative market leaders.

The challenging and high profile role of Treasury Manager has been newly created to take pro-active responsibility for the management of the company's worldwide treasury activities. Based in their prestigious Kew head office, with a department of four experienced staff, you will report directly to the Finance Director, advising on policy matters and courses of action to minimise exposures and maximise interest earnings. The treasury function will play a vital role within the company's international framework and is run as a profit centre, making a valuable contribution to the business.

You will be aged 28-35, a qualified Accountant/ Treasurer, actively seeking an opportunity to demonstrate your commercial prowess and acumen. Ambition, discipline and strong interpersonal skills are essential qualities to integrate into a highly motivated management team intent on realising their full potential.

Interested candidates who feel that they could contribute significantly within a stimulating environment should send a full cv to Tina Shortman, at Michael Page Finance, Windsor Bridge House, 1 Brocas Street, Eton, Berkshire SL4 6BW. Telephone: (0753) 856151.

Michael Page Finance
International Recruitment Consultants

FINANCIAL ACCOUNTANT

CENTRAL LONDON **Salary c.£25,000+Car**

Thomson Financial Networks Limited is a pioneer in delivering financial information and software to the International Investment and Corporate communities.

As a young dynamic and fast growing company, we are seeking a Financial Accountant to strengthen our Accounts Department.

The Financial Accountant will be responsible for the preparation of monthly and annual accounts for our UK operation as well as consolidating the results of the Far Eastern business. In addition you will be required to produce management reports for the International business.

The successful candidate is likely to be in his/her mid-30's, a graduate qualified accountant with one to two years' post qualification experience. A background in working with spreadsheets and a computerised accounting package is essential.

This position will report directly to the Financial Controller and will be required to supervise one member of staff.

Benefits include optional contributory pension scheme, low cost private health cover and interest free season ticket loan.

Please write with full C.V. to
Miss A Fewster, Personnel Manager,
Thomson Financial Networks Limited
Centre Point, 103 New Oxford St.,
London WC1A 1DD.

Thomson Financial Networks

RHM PENSIONS

FINANCIAL & INVESTMENT CONTROLLER

CROYDON **c£25,000+CAR+BENEFITS**

Ranks Hovis McDougall PLC, a major Food manufacturing company, has a vacancy in its Group Pensions Department for a senior manager to supervise and develop the accounting and investment functions within the Department. You will also act as *Secretary to the Trustees.*

You should be innovative with a proven financial background. In addition, you should have a good knowledge of pensions and also have made significant progress towards a relevant pensions or accountancy qualification.

For further information contact:
Accountancy Personnel,
33 George St.,
Croydon CR0 1LB
Tel. 01-686 4686

CONFIDENTIAL

FINANCIAL CONTROLLER (SYNDICATE ACCOUNTANT)

ESSEX **£27,000-£32,000+CAR+BENEFITS**

Are YOU a Qualified Accountant with personality and drive?
Would YOU enjoy a diverse environment, one that would expose you to the latest accounting and business technology?
Do YOU want to improve your competitive edge by working in a high profile role with a progressive firm where you would be exposed to all areas of business activity?
Can YOU see the benefits of a career move that would put you in a No1 Finance position, where you will be able to use your Lloyds experience, managerial expertise and business acumen?
Following a period of sustained growth our client, an innovative Syndicate Group dealing mainly with commercial liabilities, seeks an enterprising Controller to run the Finance function and work closely with the Managing Director.

For further information contact:
Accountancy Personnel,
2nd Floor Offices,
Bank Chambers,
New St.,
Chelmsford,
Essex CM1 1BA.
Tel: 0245 262610

ALLISON HOMES

A challenging role which requires a very special person...

COST (PROJECT) ACCOUNTANT

SPALDING, LINCS. **to £17,000**

... A person with initiative and drive capable of taking decisions based on thorough investigations and yet ready to listen to new ideas and take advice.
Reporting to the Financial Director you will undertake ad hoc appraisal work as well as contract and site costing analysis for this construction subsidiary of a major plc. Ideally with quantity surveying experience you will be computer literate, collating your information from sites nationwide for input into the management and financial accounts.
In return for your enthusiasm and commitment Allison Homes are offering Pension, *BUPA and Share Option Schemes.*
If you are this special person then contact us now on the address opposite.

For further information contact:
Accountancy Personnel,
13 Cavell Court,
North St.,
Peterborough PE1 2RA.
Tel: 0733 558517

Accountancy Personnel
You don't just count you matter
Hays
A HAYS PERSONNEL SERVICES LIMITED COMPANY

New Appointment

Financial Controller

To £35,000 + car
Birmingham

Acer Engineering is a new joint venture company formed by Acer Consultants, the international engineering consultancy and Severn Trent Water plc.

The company, based on the Birmingham University Science Park, will carry out major projects internationally initially in the field of water, sewerage, drainage engineering and related fields.

They now need a Financial Controller, a chartered accountant probably aged early 30's to provide a full accounts and company secretariat service to the company.

Controlling a small team, the successful candidate will report to the Managing Director, a structural engineer and to the board and should have, or be able quickly to gain, experience in the control of projects and project costing. Initially, support will be made available from the Acer Consultancy head office in London.

It is expected that the Financial Controller will also play a major part in the running of the company. An appreciation of business and a commercial outlook are, therefore, regarded as being highly important.

The comprehensive package includes BUPA, PHI, and an attractive relocation allowance where appropriate.

Candidates should write including full career and salary details quoting reference number MCS/8877 to
Jim Mitchell:
Executive Selection Division
Price Waterhouse
Management Consultants
Livery House
169 Edmund Street
Birmingham B3 2JB

Price Waterhouse

An Influential Role in Financial Management

Project Accountant

to £30,000 + Car + Benefits

Rapid expansion and exciting plans for future growth have created an outstanding opportunity with this major City financial services organisation.

A self motivated qualified accountant, you will need a robust, confident yet diplomatic approach, in this autonomous role. Liaising with senior management, this highly visible position is essential in supporting the business decision making processes of the organisation.

On-going responsibilities will include:

- Formulation and review of the business strategy of the organisation on an annual and five year basis.
- Preparation and presentation of monthly and quarterly management reports to the Board.
- Special projects including investment appraisal and financial modelling, requiring good working knowledge of spreadsheet packages.

This position offers outstanding potential for future advancement in a dynamic atmosphere and is particularly suited to a young fast track accountant currently in a commercial environment or looking for a first move from public practice. Previous experience in the financial services sector is not required.

Please contact Darryl Bentley ACA on 01-925 0848 or write, enclosing a comprehensive CV, to Talisman Accountancy, Dorland House, 14-16 Regent Street, London SW1Y 4PH. Closing date for applications: 16th February 1990.

TALISMAN ***Accountancy***
A DIVISION OF THE TALISMAN GROUP OF COMPANIES LTD

FINANCE DIRECTOR

City solicitors
c.£65,000

THIS PRESTIGIOUS city firm, with a total staff complement of 200, has a wide range of corporate and private clients. Committed to profitable expansion, the firm has established a professional management team to co-ordinate and develop the firm's resources.

Reporting to the Managing Partner, you will have overall control of all financial matters and assist in implementing the partnership's strategy and business plans. Managing a department of 10 staff, you will be responsible for the preparation of detailed financial and management information, including budgets and forecasts, maintaining performance and making recommendations for *improvement.*

A Chartered Accountant, you have the ability and personal credibility to liaise effectively with partners and other professional managers, *particularly in* developing and improving computerised accounting systems. Experience in a professional partnership would be an advantage, but is not essential.

To apply, please send cv, indicating current salary, to Fiona McMillan, Ref: 3898/FM/FT, **PA Consulting Group**, Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060.

PA Consulting Group
HUMAN RESOURCES
Creating Business Advantage
Executive Recruitment · Human Resource Consultancy · Advertising and Communications

GROUP FINANCIAL PLANNING MANAGER

Strategic planning and the provision of financial data to support decision taking at the highest level is the essence of this position, which offers opportunities for career growth in an expanding environment.

Acer is a leading group of consulting engineers, formed by the combination of Freeman Fox & Partners and John Taylor & Sons. Its projects are of increasing size and complexity, both in the UK and abroad, and demand corresponding sophistication in forecasting and control. This new position, reporting at director level, has been created to assist the Board in controlling and attaining the ambitious growth targets of the organisation.

We are looking for a professionally qualified individual, not necessarily a chartered accountant, with a blend of high-level experience in financial planning and project management. Knowledge of computer modelling techniques would be particularly useful.

In addition to a salary negotiable around £35,000, there will be good benefits, *including pension and car. This opportunity is based in our new offices in Guildford and* relocation assistance will be offered as appropriate.

Please send your CV to Tony Miller quoting reference R415 at our recruitment consultants, Miller Brand and Company, 36 Spital Square, London E1 6DY. Telephone: 01-377 5661.

c£35,000 + Car

acer

LLOYD MANAGEMENT

Publishing

BUSINESS ANALYST

Essex/Herts borders

to £35,000 + car + bonus

Our client, **Longman**, is one of the world's leading publishing groups and forms a significant part of the information and entertainments interests of the highly regarded Pearson plc. Expanding throughout its UK and international markets, the group is predicting an exciting future.

In a newly created position reporting to the Director of Financial Services, the Business Analyst will review new business opportunities including acquisitions, joint ventures and projects. Additionally providing a financial analysis service to senior management of several publishing divisions, he or she will appraise business performance and contribute to its enhancement. Based in Harlow, the Analyst's high profile within the group should lead to considerable promotion opportunities.

Aged 28-32, applicants should be commercially aware graduate accountants with proven analytical experience and excellent communication skills.

Please write, enclosing a career/salary history and daytime telephone number, to David Hogg FCA quoting reference H/895/F.

LLOYD MANAGEMENT Selection Consultants 125 High Holborn London WC1V 6QA 01-405 3499

Group Finance Manager

Major British Plc

North of England — **Package to £35,000 + Car**

Our client, a household name and one of the UK's major retail groups, is seeking a high calibre financial executive to join its Group Finance function.

Reporting to the Divisional Director, you will lead a small highly qualified team whose role is to control and consolidate the Group's statutory, financial and management reporting. You will also be responsible for Group accounting policies and procedures, analytical support and strategy formulation. In addition you will be involved in systems enhancement, business evaluation, plus performance monitoring and acquisition analysis.

You must be a qualified accountant, ideally a graduate or MBA, probably aged 28 to 35. You should have at least two years' corporate experience in the group finance function of a major plc involved in financial accounting and consolidations. Experience of financial planning would be a further advantage. You must be highly motivated with strong leadership and intellectual qualities and be able to demonstrate first class technical and interpersonal skills. An ability to manage change in a fast-moving environment is essential.

This is a high profile appointment and has genuine long term career development potential. The appointment carries an excellent remuneration and relocation package and is situated in a congenial location in the North of England.

If you are interested, telephone Stuart Adamson FCA or Graham Marlow on 0532 451212 or send your CV, in confidence, quoting reference number 709, to Adamson & Partners Ltd., 10 Lisbon Square, Leeds LS1 4LY. Fax number 0532 420802.

ADAMSON & PARTNERS LTD.

Executive Search and Selection

LONDON — c.£30,000 + PARTICIPATION

Financial and Budgetary Control

We are acting for a major distribution, contracting and retail business which is undergoing rapid change in its financial reporting and systems. With a multi-million pound turnover there is a need for additional resource in the financial management team.

Your work will involve close liaison with divisional management in planning, budgetary control and the development of supporting systems. Experience of financial accounting would also be appropriate, and you will be expected to take a close interest in commercial affairs.

Your background could be in manufacturing or a service business, but in either case importance will be attached to your technical and staff management skills. An accounting qualification is essential.

Résumés please including a daytime telephone number and quoting reference AS660 to Ann Shepherd, Coopers & Lybrand Deloitte Executive Resourcing, 76 Shoe Lane, London EC4A 3JB.

Coopers & Lybrand Deloitte — Executive Resourcing

Coopers & Lybrand Deloitte is the business name used by Coopers & Lybrand and Deloitte Haskins & Sells in the UK. The two firms are to merge on 29 April 1990

Banking Systems Account Management/Marketing

Travel the world! U.S. based banking software company is opening a satellite office in the greater London area. We are looking for highly motivated people with treasury experience. Responsibilities will include support for European and Middle Eastern accounts as well as expanding the existing client base. Required: Education or background in IMBM PC systems and treasury concepts. Excellent English skills and problem-solving ability are essential. Send CV to:

Boston Treasury Systems
2130 Massachusetts Avenue
Cambridge, MA. 02140. USA
Attn: George Voynick
Fax: 617-868-4637

A company representative will be in London to conduct interviews.

Financial Controller

BSI Standards is the core business of the British Standards Institution, providing roughly half of a turnover in excess of £40 million.

The Financial Controller is a key role in implementing change mechanisms to make BSI Standards more dynamic, competitive and financially stable to meet the challenges of 1992.

Let's be clear. The job to be done is not accounting—**although the successful candidate will probably be a professionally qualified management accountant and may well have taken an MBA. He or she will be hands-on, skilled in developing, interpreting and explaining financial/marketing information using spreadsheets.**

First-class communication skills are a prerequisite—the controller reports to the Executive Chairman of BSI Standards and will attend Board meetings as well as interacting with 500 staff in three locations.

Specific responsibilities will be the development and control of forecasts, budgets, long-term plans and other critical management information. The controller will take charge of a small Business Information team, and will have strong functional links with corporate finance and accounts.

The position will interest those currently earning around £25K in a commercial/industrial business, and will be based in Milton Keynes or Mayfair. Relocation assistance will be given in approved cases.

Please write, enclosing a full curriculum vitae, including details of current salary to: Mr. S. J. T. Hill, Head of Personnel and General Services, BSI, 2 Park Street, London W1A 2BS.

Closing date for applications is: 15 February 1990.

BSI

Working for Quality

Finance Director

Engineering

Greater Manchester — **c. £33,000 + Bonus Scheme + F/E Executive Car**

Our client, an expanding engineering company with a turnover in excess of £25m and an excellent profit record, supplies to niche markets worldwide and forms part of a successful diversified international group.

Reporting to the Managing Director, the position will take responsibility for the direction of the financial function. In particular, this will include an input into the policy and strategic planning processes of the Company, the controls of budgets, periodic accounts and management reports, together with responsibility for the efficiency and development of operational systems, which are all computer based. Close liaison with all operational functions within the Company is also necessary.

Applicants for the position should be qualified accountants, aged 30-40, with a minimum of five years' experience up to senior level within an industrial/commercial environment, ideally with the emphasis upon engineering. Additionally applicants must be able to demonstrate decision making and analytical skills, have proven management ability and be able to cope with the high demands of rapid growth. An excellent package will be offered to the right applicant.

Interested applicants should send a comprehensive curriculum vitae, with salary details, and quoting reference 9617 to:

**Jeff Cottrell
Pannell Kerr Forster Associates
New Garden House
78 Hatton Garden
London EC1N 8JA**

Pannell Kerr Forster Associates
MANAGEMENT CONSULTANTS

FINANCIAL CONTROLLER: START-UP COMPANY

SURREY — c£30k + Finance Sector Benefits

THE COMPANY, *a wholly-owned subsidiary of a major* financial services group, is being established to provide private medical insurance products to be sold through the sales outlets of other members of the Group. Substantial and rapid growth is planned over the next few years.

THE JOB, Reporting directly to the Managing Director, the job carries responsibility for structuring financial policies, procedures and systems for the proper management control of the company's operations to meet commercial objectives as well as statutory requirements. The remuneration package will include a quality car and other benefits associated with a financial services company. Relocation expenses will be payable where necessary.

Candidates will be qualified accountants, aged under 40, with at least 2 years experience of both management and financial accounting and the ability to manage change.

Please reply in writing quoting current remuneration and giving a daytime telephone number. Replies to Martin Petersen.

Write to Box A1450,
Financial Times,
One Southwark Bridge London SE1 9HL.

GROUP

FINANCIAL CONTROLLER

Bucks/Oxon border
£30,000 + car

This manufacturing and marketing group of companies supplies the UK and worldwide markets. The Group has a turnover of £3 million and is growing both organically and through acquisitions.

The young management team requires strengthening with the addition of an experienced and positive Group Financial Controller, who can demonstrate the qualities needed to be an active team player and develop this key role.

The position reports directly to the Managing Director and carries the full responsibility for all financial control and reporting throughout the Group. There are excellent career prospects for the successful applicant.

The Group is looking for a qualified accountant with proven commercial experience. He or she must demonstrate excellent communication and management skills.

Please write with your c.v. to

**Mr M Pearson,
Chairman,
Stylistick Auto Limited,
The Trading Estate,
Great Haseley,
Oxon OX9 7PQ.**

Stylistick

CORPORATE & ACQUISITIONS ACCOUNTANT

Cheshire/Manchester/ Merseyside Borders — **Age 25/32** — **£25/28,000 package + car**

Our client is an internationally-owned holding company, based in Cheshire that controls a growing number of trading and processing companies, involved in a wide range of activities. Restructured 2 years ago, its ambitious plans for growth are gathering momentum and with further acquisitions expected, a highly talented young professional is needed to assist the Group Financial Director in this fast-moving and changing environment.

You will take an active role in the targeting, investigation and final negotiation of acquisitions, subsequently incorporating the newly-acquired subsidiary into the Group structure. Management appraisal, business plans, profit forecasts and systems review will be some of the many features of your brief. These evaluation processes will be a test of your technical and commercial skills, while face-to-face discussions with directors will demand a high level of confidence, maturity and professional credibility.

The role will suit a young, qualified accountant, either from the profession or in industry, who can already demonstrate a high degree of commerciality. An energetic, quick-thinking style will fit in well with the company culture.

Promotional prospects are excellent, both at Group and subsidiary level.

Please apply to our Manchester office, where your contacts are Audrey Shaw or Lawrence Barnett. **Ref. M334.**

ASB

Amethyst House, Spring Gardens, Manchester M2 1EA. **Tel: 061-834 0618**
Fax: 061-832 9123

Also at: Birmingham, Leeds, Liverpool, Nottingham and Swindon

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Commercial Manager

West Thurrock, Essex **c£30K + Bonus + Car**

We are acting on behalf of a dynamic and rapidly expanding distribution division of a major blue chip company. The division has a worldwide turnover of c£400 million and a high profile due to its strategic importance to the future development of the organisation.

As a result of the demands being placed on their increasingly sophisticated business, our client is seeking to appoint a Commercial Manager for one of their recently relocated autonomous operating units (c£15 million turnover), which itself reports to one of the main UK companies with a total turnover of c£125 million.

Reporting to and working closely with the General Manager of the operation, with a functional link to the Company Director, the Commercial Manager will act as an interface between the operating unit and its customers, ensuring that budgets and service contracts are both negotiated and serviced effectively, with a high degree of financial control. The successful candidate will also be responsible for producing and controlling all management information including three year business plans and monthly reviews in accordance with the group's high standards of reporting.

Prospective candidates must be qualified accountants, probably aged 28-35, with a strong track record incorporating significant commercial exposure. Ideally from a project/contract costing background, candidates must have good systems knowledge, strong communication skills, and above all, the ability to manage vital commercial relationships in a credible and mature manner. The prospects within the organisation for future finance or operational career development are excellent.

For further information, please write enclosing full Curriculum Vitae to David Head, Michael Page Finance, Centurion House, 136-142 London Road, St. Albans, Herts AL1 1SA.

Michael Page Finance
International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

Director of Finance

South Essex **c£37K + Bonus + Car**

Our client is an established FMCG company with a turnover approaching £25 million. Its prominence in an expanding marketplace was reflected by its strategic acquisition by a major Japanese group. With the financial backing to develop its UK and overseas operations to optimum effect, the company is poised for significant growth and development.

Following a period of re-organisation, the management team is seeking to consolidate its strengths by appointing a Director who will take a proactive financial role in the development of the company.

Managing a small team, the Director will be responsible for all finance functions with a view to exercising effective financial control over the operations of the business. In addition, he or she will provide significant input in areas of planning, product development, management information systems, economic forecasts and reviews.

A qualified accountant, preferably ACMA, the successful candidate will be a strong finance manager with a proven track record in industry. Developed man-management skills coupled with a persuasive and sensitive approach to management issues are essential.

For further information, please contact Mr. David Head at Michael Page Finance, Centurion House, 136-142 London Road, St. Albans, Herts AL1 1SA.

Michael Page Finance
International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

Key Member of Management Team

GROUP FINANCE MANAGER

Age 27-32 **Central London** **c. £32,000 plus car**

As part of our client's continued impressive growth and development, as a market leader in its sector of consumer related products, it is in the process of a *major reorganisation.*

These positive developments have generated a new opportunity, which will be integral to this high-profile organisation's progress over the next 12-18 months.

Reporting to the Group Finance Director, managing *a team of 10 staff, this role will be responsible for:*

- Developing Group financial and management reporting
- Consolidation and analysis of periodic financial and management accounts
- *Preparation of statutory accounts*
- Assisting in the development of computer based systems
- Liaising with Controllers and Finance Directors throughout the Group
- Ad hoc investigations (stemming from the challenges and developments of reorganisation).

You will be a qualified accountant, probably ACA, with a minimum of two years' commercial experience. A strong confident personality and previous staff motivation/management experience are considered *essential.*

Excellent opportunities for progression within the group exist in the medium term.

If you wish to discuss this opportunity further, please contact Shirley Knight, BA, MBA, ACMA on 01-491 3431 or write to *FMS*, 14 Cork Street, London W1X 1PF enclosing a recent CV and note of current salary.

F M S
Search and Selection Specialists
for
Financial Management

Financial Director

M4 Corridor

c. £40,000 + Car + Substantial Bonus and Share Options

This is an opportunity to play a major strategic role in the management of a £140m turnover company (plc), part of a large and well known European Group.

Reporting to the Group Managing Director, you will be expected to fulfil the normal duties of a company Finance Director – mergers and acquisitions, tax, legal, secretarial and insurance, and also to provide financial help and guidance to three devolved operating divisions. A very active participation in the key business and strategic decisions of the Company is required.

An FCA, in the age range 30-45, you should have direct experience of a strategic role at the top level of a business and at least five years' financial management experience preferably in an international group. Consulting experience within one of the leading financial consultancies would be an advantage.

This is a career development appointment which will open up opportunities in General Management in Europe.

Please write with full details to: Mike Carr, MSL International, Ref: 16171, Clinton House, 2/4 Clinton Terrace, Derby Road, Nottingham NG7 1LY.

MSL International

LONDON **to £45,000**
WITH CAR AND PROFIT SHARE

Finance Director

For a well established publishing company which is much respected in both the UK and internationally for the quality of its programme and its strong customer base. The headquarters are in London and there are subsidiaries operating in the USA, France and Australia.

In addition to the financial and accounting management of the UK organisation, you will have functional responsibility for the accounting of the overseas companies. An early priority will be to oversee a major upgrading of the group's computing resources. Also of importance will be the ability actively to participate in the planning and execution of the *company's expansion.*

If you are not already operating at or near board level in commerce, you could be seeking a move from a *major consultancy practice. In either case an* accounting qualification is essential, together with extensive experience of computer-based financial and management information systems.

Résumés please including a daytime telephone *number and quoting ES655 to Edward Simpson,* Coopers & Lybrand Deloitte Executive Resourcing, 76 Shoe Lane, London EC4A 3JB.

Coopers & Lybrand Deloitte | Executive Resourcing

Coopers & Lybrand Deloitte is the business name used by Coopers & Lybrand and Deloitte Haskins & Sells in the UK. The two firms are to merge on 29 April 1990

Group Financial Controller

c.£35,000 + Car **Surrey**

Our client, an autonomous subsidiary of a major insurance group, provides a unique portfolio of specialist insurance, consultancy and assistance services, currently used by over three million people.

As a result of sustained growth, the new post of Group Financial Controller has been created to manage a department of 12 people engaged in management and statutory reporting, internal controls, treasury, credit control, payroll and product costing.

Candidates must be qualified accountants, probably aged 30-40, with some experience gained in a service industry. Proven management ability is of more importance than technical insurance knowledge. The person appointed will possess the leadership and personal qualities to guide and motivate his or her team through a period of rapid change with its *related challenges and pressures.*

The Company is the leader in its field and can offer an excellent working environment, stimulating colleagues and significant career prospects. An attractive salary will *be negotiated, together with usual large company benefits,* including a share option scheme.

Please apply to *Sir Timothy Hoare, Career Plan Ltd.*, 33 John's Mews, London WC1N 2NS. Tel: 01-242 5775. (01-607 7359 between 7.30 and 9.30 pm). Fax: 01-831 7623.

Career plan LIMITED
Personnel Consultants

WORLD LEADER – ENGINEERING

North West England

A major re-organisation within the corporate headquarters of one of the world's leading engineering groups has created two key and influential roles. With a £400M turnover and highly profitable, the Group employs in excess of 10,000 *people across a number of sites.* Activities involve the design and manufacture of major complex projects, many involving the use of 'state of the art' technology. An extremely healthy order book may be attributable to the ambitious, *on-going investment programme.*

Group Chief Accountant

to £40,000, car, benefits

To play a total role in controlling the Group's financial accounting, treasury and taxation activites and meeting statutory accounting requirements. Furthermore to ensure that systems procedures are developed to meet the ever increasing demands of the business. *Reporting to the Group Finance Director* the Group Chief Accountant will be expected to influence profitability through the efficient use of financial resources. The brief is wide, involved and highly demanding, but will allow considerable opportunity for individual expression and personal development. Candidates aged 30+ will almost certainly be ACA's with broad experience which should include preparation of statutory accounts at Group level plus experience of fund management. A detailed knowledge of computerised accounting is essential. Quote reference: (F.T. 357A).

Group Systems Accountant

c£35,000, car, benefits

Part of the re-organisation programme is an ambitious review of all accounting controls together with appropriate systems development. This new position, reporting to the Group Finance Director, will have significant impact on the relevant applications requiring detailed and constant involvement with both group and divisional financial management. An in-depth appreciation of both financial and management accounting requirements is essential with a number of years appropriate experience in a large manufacturing based group highly desirable. Candidates aged around 28+ will almost certainly be qualified accountants and have had practical experience in the implementation of both mainframe computer systems and package applications. Quote reference: (F.T. 358A).

Based in North West England, the positions offer the opportunity to make a significant impact on the business. A generous benefits package is offered.

Candidates should send a comprehensive c.v. or telephone for an application form to Howgate Sable & Partners, Arkwright House, Parsonage Gardens, Manchester. M3 2LE. Telephone: 061-839 0089 quoting appropriate reference.

Howgate Sable

EXECUTIVE SEARCH AND SELECTION

Appointments Advertising

appears every **Wednesday and Thursday.** (Friday: International Edition only). *for further information* please call:

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Write to
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or phone
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Deputy To The Controller

Achieve Results Through Communicating

This profitable and respected International Group, based in central London, is a market leader in crude oil and LNG transportation. This opportunity, enjoying immediate responsibility in a fast moving and challenging environment, will see you join a highly automated *accounting* department.

As Deputy to the Controller your responsibilities will include managing a young team involved in monitoring and producing financial results for senior management, *assessing* variances, special project work and overseeing the implementation and development of a new accounting system. You will deputise, when appropriate, for the Controller.

In your late 20's, early 30's you will have an ACA/ACMA/ACCA with a good degree. You may have 2-3 years' commercial post-qualification experience within a blue chip organisation. As a self-starter you are adaptable and capable of *motivating* a team. Your effective communication will enable you to draw information from all levels.

The salary is generous and includes an attractive range of Group benefits plus executive car. Please write with full career and salary details in complete confidence to Ref. 6124; Cripps, Sears and Partners - Selection Division, 71 Kingsway, London WC2B 6ST. Telephone 01-404 5701. Fax 01-242 0515.

FINANCIAL CONTROLLER

£28K + Attractive Benefits Package including Car

Qualified Accountant required to complement Management team. Working to deadlines, you will be responsible for all the Accounting of the operating aspects of cruise line based in London.

Commitment, high technical competency, ability to manage and motivate staff towards the development of a quality financial department are all essential personal characteristics.

Career opportunities within the group are excellent.

Please reply in confidence, enclosing a full C.V. to Box A1452, Financial Times, One Southwark Bridge, London SE1 9HL

Eurobond Sales

Salary – Negotiable

A dynamic and well-regarded trading house with a developing presence in the Euromarkets is looking to expand its London-based operation.

They therefore wish to recruit experienced Eurobond sales professionals. Candidates will have a number of years' experience gained in an established Eurobond sales team, with a well developed client base within Europe. Proven sales ability is a prerequisite and fluency in one or more foreign languages would be a major advantage.

Compensation will not be a limiting factor for the right candidate. Interested applicants should contact **Arabella Goodford** or **Kate Griffiths** on **01-831 2000** or write to them at **Michael Page City, 39-41 Parker Street, London WC2B 5LH.**

MP
Michael Page City
International Recruitment Consultants
London Paris Amsterdam Brussels Sydney

INVESTMENT ANALYST

Short-term appointment

FT Prices, the department of the Financial Times responsible for daily financial statistics, requires an experienced investment analyst to work on a confidential development project.

The successful applicant will need to demonstrate thorough familiarity with Continental European equity markets and companies, as well as with relevant financial information sources. First-hand acquaintance with the principal European financial centres would be a distinct advantage, as would some knowledge of PC support systems.

This full-time appointment will be made on a short-term contract basis and will last not longer than six months. Working hours can be flexible, but applicants must be able to start immediately.

The FT offers a stimulating newspaper environment in which to work, as well as competitive pay and conditions.

Please apply in writing, attaching a detailed CV and two relevant references, to:

The Prices and Statistics Manager,
FT Prices,
Financial Times,
One Southwark Bridge,
London SE1 9HL

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

FINANCIAL BLUE CHIP c.£60,000

Business Development - Europe

Consumer financial products sales in Europe are growing much faster than GDP. Our client has a stake in this market which it intends to grow by acquisition, joint ventures and marketing alliances. The job of Business Development Manager will handle these *opportunities creatively and effectively from an office* base in London.

If you are 38-45 with an MBA or suitable professional qualification, have a knowledge of insurance or savings products and experience in strategy consulting or M&A/Joint Venture planning and negotiation, we *would like to hear from you. As a person you should* be entrepreneurial, have worked and lived on the Continent of Europe and be fluent in English.

Our client offers the job satisfaction that goes with creating business opportunities in the environment of a friendly professional team working only at high level. The employment terms and prospects match this challenging requirement.

Write in confidence with CV and indication of present earnings to Liz Uttridge, Coopers & Lybrand Deloitte Executive Resourcing, 76 Shoe Lane, London EC4A 3JB, quoting ref HS662.

Coopers & Lybrand Deloitte is the business name used by Coopers & Lybrand and Deloitte Haskins & Sells in the UK. The two firms are to merge on 29 April 1990.

Coopers & Lybrand Deloitte | Executive Resourcing

GROUP FINANCIAL CONTROLLER

Base Emoluments UAE Dh 300,000 tax free
Furnished accommodation + Car + Benefits

A leading UAE incorporated commercial bank headquartered in Dubai with extensive operations in the UAE and overseas has created a new role and seeks to appoint a Group Financial Controller at senior Management level to head Treasury and Correspondent Banking and Finance.

The successful candidate heading this function will have a dual role; on the one hand he will have a line type authority over Treasury operations whilst on the other he will be functionally accountable for every aspect of the Bank's accounting, budgeting and financial reporting.

Reporting to the Group Managing Director, the successful candidate aged between 40-50 years will be a computer-literate seasoned banker with international financial exposure in the financial services industry, particularly well versed in asset/liability management, interest and exchange rate operations, the liquidity and funding requirements of financial institutions and management information systems. The candidate must possess entrepreneurial financial engineering skills, with proven man-management and hands-on management style. The job requires the successful candidate to provide guidance and upgrade and integrate Treasury operations within the Bank's total activities. It is also to promote sound financial management by ensuring the establishment, proper implementation and periodic upgrading of financial policies, procedures, standards and controls throughout the Bank.

Interested candidates who meet these criteria should forward a comprehensive CV including current salary details to reach The Advertiser, Box A1446, Financial Times, One Southwark Bridge, London SE1 9HL by 15th February 1990.

Jonathan Wren Executive

Credit

MARKETING **£26,000 to £65,000**

ANALYSTS **£20,000 to £30,000**

1990 has seen a burst of activity within the credit departments of many international and investment banks both in the City and in the Midlands. Jonathan Wren Executive is currently handling a wide range of new positions for credit professionals who are ready for that vital next career move. We are especially interested in candidates who can demonstrate particular credit experience and skills in the following:

UK corporates..small/medium	Commodities	Credit training
Property finance	Capital markets	Risk analysis
European languages	Treasury products	Spreadsheets

An interview with one of our team of highly experienced consultants offers an opportunity to assess your current career position, and then access to our *active* client base of over 200 banking employers.

Call Norma Given, Richard Meredith or Ron Bradley on 01-623 1266, or send a c.v. to them at the address below.

LONDON HONG KONG MIDDLE EAST SINGAPORE SYDNEY

Jonathan Wren
Recruitment Consultants
No 1 New Street, (off Bishopsgate), London EC2M 4TP
Telephone: 01-623 1266 Fax: 01-626 5258

RECRUITMENT CONSULTANTS GROUP

CJA
3 London Wall Buildings, London Wall, London EC2M 5PJ
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374 Fax No. 01-256 8501

Short term Board level prospects with potential to advance to Chief Executive of one of these successful ventures in 2-3 years

ACQUISITIONS MANAGER

WEST MIDLANDS **£35,000–£40,000 + BONUS**

HIGH GROWTH SPECIALIST ENGINEERING, INDUSTRIAL AND COMMERCIAL SERVICES DIVISION OF SUBSTANTIAL BRITISH GROUP

For this new appointment, key to the success of an ambitious, international acquisitions and diversification strategy we seek graduates, ideally MBA or qualified accountants or solicitors/barristers, aged 28-35, with an established record in this field. This is likely to have been gained in merchant banking or via investment/venture capital activities. Reporting to the Acquisitions Director and initiating then working within an agreed corporate strategy, the successful candidate will be responsible for identifying and researching target companies and for detailed proposals and negotiation leading to the closure and implementation of successful deals. The ability to achieve objectives with the minimum of direction and supervision is essential and languages will be an asset. Initial salary negotiable £35,000-£40,000 plus performance related bonus, car, contributory pension, life assurance, medical insurance and assistance with relocation costs, if necessary. Applications, in strict confidence under reference AM4697/FT to the Managing Director: CJA

3 LONDON WALL BUILDINGS, LONDON WALL, LONDON EC2M 5PJ. TELEPHONE 01-588 3588 or 01-588 3576. TELEX: 887374. FAX: 01-256 8501.

INVESTMENT MANAGER JAPANESE EQUITIES

The Opportunity to Develop your Career with a Top Quality Institution.

This is an opportunity to join part of a major North American Insurance Group and to have responsibility for their Japanese equity and warrant investments.

Based in their City office and working as a member of a small team, your role will be one of active management of unit trust and life funds. Initially, you will be managing in the region of £100 million and will have investment decision-making responsibility in your market area. Reporting to the Director of International Equities, you will also be required to present commentary on the Japanese market's performance and outlook.

You should have had at least two years' experience of managing Japanese equity funds. You should also possess well developed stock selection skills and be performance-orientated. Finally, it is essential that you have strong interpersonal skills to present your views and be prepared to participate in the unit trust marketing process, on occasion.

The position offers an attractive remuneration package including a company car, mortgage subsidy and performance-related bonus. To apply, please telephone **Susan Muncey** on **01-222 7733** or write to her at **John Sears and Associates, Executive Recruitment Consultants, 2 Queen Anne's Gate Buildings, Dartmouth Street, London SW1H 9BP.**

John Sears and Associates
A MEMBER OF THE SMCL GROUP

Assistant Compliance Officer

To £32K + Excellent Bens.

Our client, a prestigious and highly successful securities house, currently seeks a high calibre individual to join its Compliance Department. With reference to the regulations, primarily of TSA, but also Bank of England and IMRO, the successful candidate will be responsible for conduct of business surveillance, training and one-off projects.

Ideally, candidates will have compliance experience and, possibly, a legal or accountancy qualification. Knowledge of the financial services industry is essential, as are good inter-personal skills and a mature approach.

Interested? Call **Karin Clarke** on **01-831 2000**, or write to her at **Michael Page City, 39-41 Parker Street, London WC2B 5LH.**

MP
Michael Page City
International Recruitment Consultants
London Paris Amsterdam Brussels Sydney

Credit Analysis

We are currently experiencing increased demand from a wide range of leading institutions who seek experienced credit analysts. Areas of particular interest include property, commercial mortgages, LBO's and asset based finance.

If you have a minimum of 2 years' corporate credit experience with exposure to both balance sheet and cash flow analysis across a broad spread of products and would be interested in hearing about current market opportunities please contact **Mark Hartshorne, Charles Ritchie** or **Ann Semple** on **01-831 2000** or write enclosing a full curriculum vitae to **Michael Page City, 39-41 Parker Street, London WC2B 5LH.**

MP
Michael Page City
International Recruitment Consultants
London Paris Amsterdam Brussels Sydney

SPERRY-SUN DRILLING SERVICES

DIRECTIONAL DRILLING SUPERVISORS

Due to the continued expansion of it's Directional Drilling Operations, Sperry-Sun Drilling Services has a requirement for experienced Directional Drilling Supervisors.

Ideally, candidates should have a minimum of 5 years experience in directional drilling, of which, 3 years should have been in the North Sea. Experience in steerable systems and horizontal drilling would be an advantage.

All directional drilling personnel which Sperry-Sun employ will become *familiar* with and run our offshore directional drilling software package proficiently.

In addition to qualified Directional Drilling Supervisors, Sperry-Sun are interested in training a limited amount of Supervisors, preferably with drilling/toolpushing experience, an engineering back-ground would be beneficial.

A competitive compensation package is offered.

Applications in writing only to :-

TRACEY L. BROWN,
SPERRY-SUN DRILLING SERVICES,
HOWE MOSS DRIVE,
KIRKHILL INDUSTRIAL ESTATE,
DYCE,
ABERDEEN. AB2 0GL

RESEARCH ANALYST

Oil Company based in London requires Research Analyst for general studies on European products market.

Enthusiasm and background knowledge of petroleum is essential.

Please send your application and CV to Box A1448, Financial Times, One Southwark Bridge, London SE1 9HL

SALES AND MARKETING EXECUTIVE
GLOBAL CUSTODY

Our client is a premier International Bank and leading Global Custodian where dedication to customer service and the development of products to meet the increasingly sophisticated needs of international investors provide the competitive edge.

Their success to date, within the Global Custody market-place, has been built upon the strength of their information technology, together with the skills and expertise of their people. Future success is dependent upon continued product development, combined with their ability to effectively present their range of services to prospective clients. Consequently they are now looking to recruit a Sales and Marketing Executive.

The successful candidate will join a progressive, accomplishment orientated team with responsibility for proactively identifying new business opportunities and developing and implementing sales programs.

This high profile role will have direct revenue responsibility and is seen as critical to the future growth of the business.

Whilst candidates will ideally have at least a fundamental understanding of the securities market, this is secondary to a proven track record of selling products within the financial sector. Additionally, they should possess the maturity and personal presence to gain immediate credibility with clients at the highest level, together with outstanding interpersonal and influencing skills. Above all they should have the tenacity to achieve in a highly competitive environment and be motivated by the tangible success of closing deals.

This is an opportunity to join a dynamic, market leader offering outstanding career prospects together with a competitive compensation package.

For further information contact **Gill Pembleton** or write in confidence to:

WELL COURT ASSOCIATES
11 Well Court, London EC4M 9DN
Tel - 01 236 0723 Fax - 01 489 8305
FINANCIAL RECRUITMENT CONSULTANTS

WCA

Analyst—UK Capital Goods

Morgan Grenfell Asset Management Limited is one of London's most successful investment management companies with assets under management in excess of £16 billion. We are now seeking an additional experienced investment analyst to join our UK Equity Research team.

The successful candidate will be responsible for analysing the capital goods sector of the UK Equity Market for our fund management teams. Success will be judged on the quality of stock selection ideas and overall contribution to portfolio performance.

This demanding and potentially exciting opportunity will appeal to a self-reliant analyst who would enjoy working in a small, stable team within a large and dynamic firm. Candidates should have about five years' experience of investment analysis of which at least two years should have been in the capital goods sector.

In addition to an attractive salary and bonus scheme, we offer a substantial benefits package reflecting the importance we attach to this post which includes a company car, mortgage subsidy, non-contributory pension and BUPA. Career prospects are excellent.

Please write, in confidence, with a full CV to:

Stephen Brooks
Personnel Manager
Morgan Grenfell
Asset Management Limited
20 Finsbury Circus
London EC2M 1NB

MORGAN GRENFELL ASSET MANAGEMENT

REAL ESTATE BANKER
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This is a chance to expand and manage a real estate team within the structured finance area of a leading commercial bank. Your job will involve building upon a small existing loan portfolio to help the bank to become one of the major deal-leaders in the area of property finance. You will be marketing the bank's full range of debt products and, with assistance, will be generating business from a client-base consisting of some of the largest property companies.

You are likely to be from a banking background and have spent at least 3 years specialising in real estate banking. Probably in your late 20's/early 30's, you should be highly motivated and a potential team-leader. You should also possess strong interpersonal skills for presenting your business development ideas within the bank and for marketing/client liaison.

This position offers a competitive remuneration package including a performance related bonus, company car, mortgage subsidy and other benefits. If you would like to be considered, please telephone **Susan Muncey on 01-222 7733** or write to her at **John Sears and Associates, Executive Recruitment Consultants, 2 Queen Anne's Gate Buildings, Dartmouth Street, London SW1H 9BP.**

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FINANCIAL TIMES LIBRARY
STATISTICAL RESEARCHERS

The Financial Times Library provides data of an economic and statistical nature, using a variety of sources, for the journalistic team including Economic Features Writers and also produces regular Economic Tables all to daily deadlines.

We would like to hear from you:
If you have an Economics Degree, a minimum of 3 years experience in an information environment, specialising in economic data, and are conversant with both published and online sources using PCs. It is unlikely that any one under 27 years would have the relevant experience for this Senior Statistical Researchers post. C£15,000pa

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If you have an Economics Degree wish to pursue a career in the information field as a Statistical Researcher. C£12,500pa

It is essential for both positions that candidates have good general knowledge and the ability to work under pressure whilst maintaining accuracy.

Our working hours are 33½ per week between 9.30am - 7pm. Benefits include 5 weeks annual leave, sports facilities, season ticket loan scheme, subsidised restaurant, free medical health insurance and an employee share scheme (both subject to service qualification).

Please apply in writing enclosing an up to date CV to:
Mary Batten, Library Manager,
The Financial Times Ltd,
Number One Southwark Bridge, London SE1 9HL.

Closing Date: 16th February 1990, previous applicants need not apply.

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

ASSOCIATE DIRECTOR/SENIOR MANAGER
CORPORATE FINANCE

City — c£40K–£50K + Benefits

Our client, one of the leading Japanese Securities Houses, seeks to appoint a dynamic and innovative Associate Director/Senior Manager to strengthen its European Corporate Finance team.

Reporting to the Head of the Central European Desk, your primary responsibility will be to market a full range of corporate finance services, predominantly to German Corporates.

Fluent German is a prerequisite as is the ability to use your extensive contacts in the German corporate sector to initiate quality transactions. A proven track record in deal-making in respect of German clients, excellent communication and negotiation skills together with commercial flair and dynamism are essential to succeed in this competitive and challenging environment.

An accounting, legal or MBA qualification is preferable, but more emphasis will be placed on candidates with directly relevant experience, probably gained in a leading financial institution.

The key nature of this appointment will be reflected in the final package on offer to the right candidate.

Interested applicants should telephone Jonathan Cohen on 01-437 0464, or write to him, enclosing a detailed CV, at the address below.

ROBERT • WALTERS • ASSOCIATES
RECRUITMENT CONSULTANTS
Queens House 1 Leicester Place London WC2H 7BP
Telephone: 01-437 0464

Corporate Banking
to £32,000 + car

Our client, a major international banking group, has built its reputation in the UK corporate market on commitment to relationships and being able to provide tailor-made solutions to specific financing requirements. Due to sustained business growth there is a need to recruit an additional Account Manager to the Division. Experience in UK corporate relationship management gained in an international banking environment will be a prerequisite. The Bank is also looking for some exposure to new business development. Additionally important, since transactions are often highly structured, will be a strong base in credit and risk analysis — a US bank credit training is favoured here.

This is a non-hierarchically orientated environment which rewards on performance and welcomes innovative input. Part of a major banking group, it offers immense scope for career progression both in the UK and overseas.

Contact Loretta Quigley.

Interested candidates should telephone 01-489 9494 (Fax 01-236 6118) or write sending a detailed CV to 12 Groveland Court, Bow Lane, London EC4M 9EH.

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CIS
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Fund Management in Manchester

The CIS is one of the UK's largest insurance organisations and as an institutional investor is constantly involved in a wide range of investment transactions.
We are now looking for people to join the large professional team at our Chief Office in Manchester.

Fund Manager
(European Equities)

As a fund manager you will be involved in day-to-day management of european equity portfolios.
The successful applicant for this position will be a graduate with some experience of fund management.

Investment Analyst
(Far East Equities)

This interesting role involves analysing the smaller Asian and Australasian stock markets and advising the fund manager. Successful applicants will be graduates, aged early-mid 20's, with 2 years' working experience in a financial environment.

Salaries are negotiable according to experience and career prospects with this rapidly expanding organisation are excellent.
There is a contributory pension scheme and free luncheon will be provided. A car can be provided as part of the total remuneration package and relocation expenses will be paid where applicable.

Please write stating age, qualifications and full details of experience to Senior Recruitment Assistant, Personnel & Management Services Department, Co-operative Insurance Society Limited, Miller Street, Manchester M60 0AL. We would like to receive applications by 9th February 1990.

The Society is an Equal Opportunities Employer.

Senior Fixed Interest Manager
International Banking

Our client, a highly respected European bank with a global presence, is seeking an experienced fund manager to head up its Private Banking fixed interest operation in London.

Aged 35 - 45, you will currently be managing international fixed interest investments and should be well experienced in both Eurobond and currency markets. In addition to managing discretionary and non-discretionary funds you will be expected to contribute to international investment strategy and to make formal presentations. Strong communication skills are essential.

This is an excellent opportunity to join a high quality organisation. The attractive salary and benefits package will fully reflect the importance attached to this key position.

To apply, please contact Tim Nicholls at Austin Knight Selection on 01 439 5783 (01 494 1093 evenings/weekends). Or write to him, enclosing a detailed CV at Knightway House, 20 Soho Square, London W1A 1DS.

Please quote ref 124/TN/90.

Austin Knight

INTERNATIONAL INSTITUTIONAL SALES

Major bracket West Coast firm looking for salesman to cover Italy and contingent regions. Preferably, the candidate will be Italian speaking registered rep w/min 2 years experience covering accounts. Must relocate to San Francisco, California. Compensation to be based on gross production with very attractive payout. Please address C.V. and cover letter to:

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California 94111 USA
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TREASURY SPECIALISTS

We are a fast growing Danish-based international group with an annual turnover approaching £300 million. We are seeking two treasury specialists to join our newly established London unit.

Coming from a banking or corporate treasury environment, candidates will be experienced in managing currency and interest rate risks and ideally will have a dealing, accountancy or analytical background. They will be self-motivated and capable of generating profits as key members of a small team.

A competitive salary and bonus structure is offered.

In the first instance please forward your CV to: Stephen Chance, Chance & Company, 68 Chandos Place, London WC2N 4HG

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Sector specialist with 1 - 3 years experience required to reinforce our presence in this area.

Please apply with C.V. to P.Cartwright at:

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For U.K. Office

Candidate should have Graduate Degree, M & A experience, Research Capability, Good Personality.

Send Resume by Fax to: 212 272 7422
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ECP SALES

Daiwa Europe Limited, already a major player in the Money Markets requires a salesperson to join its well-established team. Daiwa is committed to improving its market share in Money Market instruments over the short and longer term.

Candidates are expected to have at least 2 years' experience in ECP sales with a demonstrated record of achievement in establishing and developing new and existing business. Fluency in one or more European languages would be an advantage.

A highly competitive remuneration package, including a full range of City fringe benefits applies to the position.

Applications by letter indicating how you meet the above requirements should be accompanied by a full C.V. and be addressed to Gordon Stevenson, Personnel Director.

DAIWA

Daiwa Europe Limited, 5 King William Street, London EC4N 7AX

DERIVATIVE PRODUCTS MANAGER – TRADER SUPPORT

ACA/MBA | Aged 25-35 | c£50,000 + Car + Bonus + Benefits

The creative momentum of a multi-currency derivative products team at an established US based Investment Bank, draws on an essential analytical support group.

An exceptional individual who has ambition to broaden product knowledge and risk management skills, will find the management of this trader support function a stimulating challenge.

As intermediary for traders, operations and accountants in London, Tokyo, Australia, Canada and New York, responsibilities will include day to day management of all accounting and operational issues arising from trading.

The products involved include swaps, and interest rate, currency and stock index options. Experience of these would be an advantage, but the major criteria for selection will be drive, numeracy, strong interpersonal skills and evidence of achievement.

Commitment and ability will be highly rewarded, and career prospects for this key role are excellent. We are inviting applications from top quality accountants and MBA's who wish to join a leading American Securities operation.

For an initial discussion please contact Bianca Coulter on 01-437 0464 or write, enclosing your career history, to the address below.

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RECRUITMENT CONSULTANTS
Queens House 1 Leicester Place London WC2H 7BP
Telephone: 01-437 0464

CAZENOVE & CO.

Mergers and Acquisitions

Cazenove & Co. is expanding its specialist mergers and acquisitions activities which are operated within the corporate finance department. We are seeking an experienced professional to become a key member of the team.

THE POSITION

◇ The M&A group concentrates on identifying and executing merger and acquisition business on behalf of the firm's clients.

QUALIFICATIONS

◇ At least three years experience, with an emphasis on mergers and acquisitions, gained within the corporate finance department of a major merchant or investment bank. The successful candidate is likely to be an accountant or MBA, aged mid to late 20s.

REWARDS

◇ Cazenove & Co. wishes to attract candidates of the highest calibre and will offer appropriate remuneration and excellent long term career opportunities.

Please reply in writing, enclosing full cv, Reference JO314
54 Jermyn Street, London, SW1Y 6LX

Cazenove & Co. is a member firm of The Securities Association and of The International Stock Exchange

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Project Finance

This AAA rated international bank is experiencing considerable expansion across the range of its banking activities. It has established a first-class reputation in a number of markets including project finance wherein the team handles the evaluation, development and financing of projects in the oil and gas, infrastructure, and electric power generation sectors. As part of the Bank's strategy for growth, they currently seek an additional senior professional for this high profile group.

Ideally aged at least 30, you will be a numerate graduate with strong PC modelling skills. You will have a minimum of 3 years' project finance experience and perhaps 10 years' total experience gained in a quality banking environment. Working within a small team, your primary responsibilities will be the identification, appraisal, structuring and negotiation of transactions, particularly those in the infrastructure or electric power generation sectors. You will manage deals from inception to completion and will monitor these transactions over the life of the project. You will be working closely with other areas of the bank and will be liaising with clients at a senior level. Successful candidates can expect a varied and long-term career within one of the world's most respected banking organisations. Normal banking benefits will apply.

Interested applicants should contact Mark Hartshorne or Ann Semple on 01-831 2000 or write enclosing a full curriculum vitae to Michael Page City, 39-41 Parker Street, London WC2B 5LH.

MP
Michael Page City
International Recruitment Consultants
London Paris Amsterdam Brussels Sydney

Forestry Commission

DIRECTOR GENERAL

The Forestry Commission is charged with the general duties of promoting the interests of forestry, the establishment and maintenance of adequate reserves of growing trees, the production and supply of timber and the development of the recreational potential of the forests it manages. It reports directly to Forestry Ministers to whom it is responsible for advice on forestry policy and for the implementation of that policy.

Having regard to the nature of the Commission's activities, you must be professionally qualified and have professional experience in forestry as well as a thorough understanding of the scientific and technological background to forestry. You must be keenly aware of related land use and environmental interests as well as those of the forest products industry. This high profile post, located at the Forestry Commission's headquarters in Edinburgh, demands considerable experience at a senior management level in a public or private sector organisation of some standing, together with the capability of contributing at a strategic level to major policy issues. In addition to management and leadership qualities of a high order, excellent representational skills will be necessary as well as the drive, determination and ability to initiate and direct change.

The appointment is for a period of five years with the possibility of extension or conversion to a permanent appointment. The salary will be [illegible] with the possibility of further increases linked to performance in the post.

For further details and an application form (to be returned by 23 February 1990) write to Civil Service Commission, Alencon Link, Basingstoke, Hants RG21 1JB, or telephone Basingstoke (0256) 468551 (answering service operates outside office hours). ***Please quote ref: G/8291.***

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MARKETING EXECUTIVE—JAPAN

An exciting and challenging opportunity exists to represent a leading investment management company within an already established operation in Tokyo.

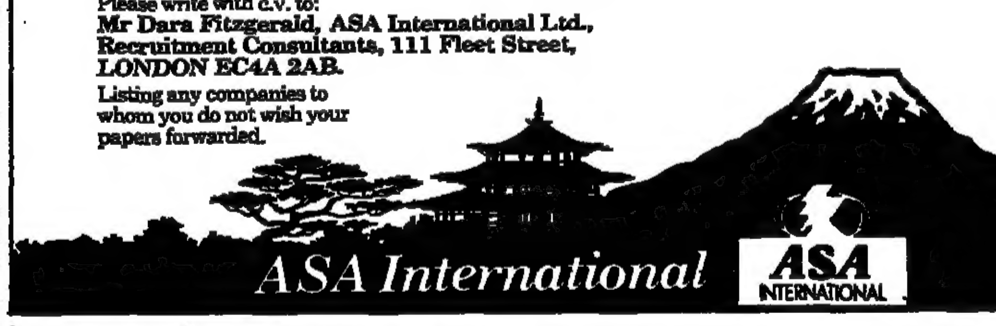
The principal tasks will be marketing, identification of new product opportunities, and support to client servicing.

Candidates should be in the age range 30-40 and must be fluent to business standard in Japanese. Knowledge of the financial sector, not necessarily fund management, would be a significant advantage, but a full training of up to one year, based in the U.K. and Japan, will be given. It is anticipated that once fully trained, the successful applicant will spend a minimum of three years in Tokyo.

A generous remuneration package based on expatriate terms and conditions will be offered.

Please write with c.v. to:
Mr Dara Fitzgerald, ASA International Ltd., Recruitment Consultants, 111 Fleet Street, LONDON EC4A 2AB.

Listing any companies to whom you do not wish your papers forwarded.



Jonathan Wren Executive

ACCOUNT OFFICER COMMODITIES/TRADE FINANCE

A leading European bank, with an established activity in Commodities and Trade Finance, is seeking to strengthen its team by recruiting an account officer with at least 2/3 years experience in the sector.

The bank markets a wide range of short term facilities including many dealing room products, letters of credit, guarantees and bonds. They are looking for experience of the product range together with good analytical skills and ACIB or similar qualification.

The successful candidate will be offered a competitive salary and benefits package plus performance related incentive bonus.

Please contact Norma Given, Director, on 01-623 1266 or forward your cv to the address below...

Jonathan Wren
Recruitment Consultants
No. 1 New Street, (off Bishopsgate), London EC2M 4TP
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£30k | **Reigate, Surrey**

Brown & Tawse Group PLC, a leading UK distributor of steel, pipeline and other industrial products is seeking to appoint an experienced professionally- qualified *Company Secretary* to be based at the Group's new Corporate Headquarters in Reigate, Surrey.

Reporting to the Group Finance Director, the appointee will be responsible with *a small professional* team, for the statutory requirements of subsidiary companies, the Group's pension and share option schemes and the insurance schedule.

Aged 30-45, applicants should have PLC experience and be qualified to assist with the legalities of business acquisition/divestment/restructuring and the management of the property portfolio. Knowledge of Stock Exchange listing requirements and the City Code would be a distinct advantage.

The commencing salary will be negotiable from £30k depending upon experience, and the benefits package includes a company car at executive level and family medical insurance cover.

C.V.'s and handwritten letters of application, which will be treated in strict confidence, should be addressed to:- Group Personnel Manager, Brown & Tawse Group PLC, P.O. Box 159 Imperial Street, Bromley-by-Bow, London E3 3JQ.

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To this end, we would like to recruit a highly motivated young analyst with 1-3 years experience. Computer literacy an advantage.

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EUROPEAN/UK SALES EXECUTIVE

As a global Investor Relations Services group, we have expanded agressively in the U.K. and on the Continent. We are now looking for an additional executive, with sales experience in the financial area, preferably equity related, who would welcome some travelling abroad. Foreign languages, particularly French, a definate advantage. A high degree of self-motivation and good communications skills are needed to relate to Board level. Please send Curriculum Vitae to Dr. V. Berbers, 13 Knightbridge Green, London SW1X 7QL - Tel: 01-581 4393. Technimetres, Inc.

MANAGING DIRECTOR

Clothing company, with £2.5 million turnover in North Midlands seeks Managing Director.

Strengths in sales and marketing essential.

Remuneration package will reflect the achievement of a turnaround.

Write Box A1451, Financial Times, One Southwark Bridge, London SE1 9HL

The London branch of an International bank seeks applicants for the positions of:

FUTURES TRADER

The successful candidate, male/female, will ideally be aged between 25-30 and have at least 3 years active dealing experience running their own book in all short-dated financial future contracts. Trading experience in FRAs and IRs will be an advantage.

The position will suit a dedicated self motivator who can generate regular income and be willing to work in a small and highly professional dealing room which is looking for growth through the 1990's.

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Aurora plc, a highly successful division of Australian National Industries (ANI), is poised for substantial profitable growth over the next two to three years by organic means and by acquisition. Aurora itself was acquired by ANI in 1988 to provide a vehicle for European expansion before and after 1992 and to this end a strategic plan has been developed.

We are now seeking an experienced Business Development Executive to implement the strategic plan which will involve the identification and appraisal of target companies, the negotiation of purchase agreements, and the integration of acquired businesses. The successful candidate will have relevant experience in a commercial or financial capacity in the metals engineering or distribution sectors. First class analytical and negotiating skills are essential and a working knowledge of German or French would be an advantage.

Career prospects are excellent. An attractive salary will be negotiated and the comprehensive benefits package includes the use of a fully expensed company car and relocation expenses to the Sheffield area.

Please write in the strictest confidence enclosing a detailed cv to:

Peter Wilson, Director, Personnel and Administration,
AURORA plc,
Aurora House, 61 Manchester Road,
Sheffield S10 5DY.

EUROPEAN EQUITY SALES

£NEG

A major international securities house is seeking an experienced salesperson to sell UK equities to European institutions. The ideal candidate should have a proven track record and fluency in two European languages. An education to degree level and an established client base would be a distinct advantage. The position offers an ideal opportunity for candidates wishing to expand their European business and at the same time travel overseas. Contact: David Puddick.

SENIOR LENDING OFFICER

French Speaking
c£35,000 + Banking Benefits

A major European bank wishes to appoint a No. 2 to the Section Head, responsible for developing new business opportunities with the UK subsidiaries of French speaking companies based in Europe. You will ideally be a graduate or ACIB aged in your late twenties wishing to secure a more progressive career opportunity. Preferably, you will be bilingual with French mother tongue. Contact: Leslie Squires.

NEW ISSUES TRADER

£NEG

An International Bank, expanding its activities, seeks a young New Issues Trader with 2-3 years experience in an active dealing room. You should have an in-depth knowledge of the grey market in a wide range of currencies and the ability to trade issues where the bank acts in either a Lead or Co-Manager capacity. Preference will be given to candidates with current relevant experience and a good educational background. Contact: Wendy Fenn.

SENIOR MANAGER — CORPORATE FINANCE

c£35,000 + Banking Benefits

The securities arm of a well-known European bank is broadening its activities in the corporate finance field. This has resulted in the need for an additional senior Corporate Financier with UK experience in the following areas: M&A, Private Placements, Financial Structuring and Underwriting. Interested parties will have at least 3 years experience of Corporate Finance work and be familiar with the Stock Exchange "Yellow" and "Blue" books. Ideally, candidates will have an accountancy or legal qualification. Contact: Sarah-Jane Wittridge.

MANAGER — SWAP OPERATIONS

c.£35,000

A prestigious financial institution has a requirement for an experienced man-manager to control its day-to-day swap reporting and administrative activity; in addition, the successful candidate is likely to have in-depth knowledge of related products — IR/Currency swaps, futures, FRA's and Securities — and the ability to recruit, train and motivate an expanding team. Contact: Alan Sewell.

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to £35,000 + car

European banking group is seeking to recruit a qualified accountant (preferably ACA) to supervise a team providing a complete accounting support function: management reports, fixed asset register, BOE and Head Office returns, systems development and subsidiaries financial control. Applicants are likely to be aged between 28 and 40 and have a minimum of three years experience in a similar environment. Contact: Alan Sewell.

For more information on these and other positions, please contact Anderson Squires Limited, Financial Recruitment Specialists, 127 Cheapside, London EC2V 6BU. Tel: 01-606 1706. Fax: 726 4081.

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FINANCIAL ANALYST

Warrior International Limited, a Member of The Securities Association, is a recently formed but rapidly expanding firm, providing strategic and corporate finance advice to companies in the mining, metals and petroleum industries. Current business includes strategic assignments for major international mining companies, project financing, asset acquisitions and disposals and direct equity investment.

We seek to expand our team supporting the Partners by the recruitment of a young financial analyst who is likely to have gained a first class scientific degree preferably in engineering and have had *experience in a mining or oil company, accounting, law or investment banking.*

Working closely with other members of the support team and with partners, and with a significant amount of client contact at senior level, the candidate will be heavily involved in economic and financial analysis, financial modelling, and transaction structuring and must be computer literate. Compensation is negotiable.

If you are attracted to the possibility of joining a small, successful, hard working and entrepreneurial firm please contact

Warrior International Ltd.
100 Piccadilly,
London W1V 9FN
Tel: 01 495 3379

Experienced Private Client UK Equities Salesperson required. Also, a young analyst, small companies experience desirable.

Please send CVs to:
Miss C M Segrave,
Alexander Securities Ltd.
International House,
1 St Katharine's Way,
London E1 9UN

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FOREIGN EXCHANGE DEALER

We are a small, active international bank seeking to supplement our existing dealing staff with the addition of a Spot Foreign Exchange Dealer. Ideally, the successful candidate will be under 25 years of age with a minimum of one year's experience *dealing in a major currency*. Salary is negotiable according to experience. Please apply in strictest confidence to

Box A1440, Financial Times,
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Niederlassungsleiter/-in
Luxemburg

In dieser Position ist Ihre Kompetenz in erster Linie bei der Akquisition und Pflege von Beziehungen zum anspruchsvollen Kundenkreis des Instituts gefordert. Schwerpunkte der Tätigkeitsbereiche sind einmal der Wertpapier-, Devisen- und Edelmetallhandel sowie die Betreuung und der Aufbau des Bereichs Kapitalanlagen. Damit Sie Ihre eigenen Ideen und Konzepte erfolgreich realisieren können, erhalten Sie umfangreiche Kompetenzen und einen großen Handlungsspielraum.

Für diese in hohem Maße eigenverantwortliche und vielseitige Tätigkeit möchten wir eine engagierte, offensive Unternehmerpersönlichkeit gewinnen, die sich bereits in einer leitenden Position bewährt hat und Durchsetzungsvermögen und die Fähigkeit, Mitarbeiter zu motivieren, mitbringt. Wichtig ist, daß Sie eine starke Vertriebsorientierung aufweisen und über umfangreiche Erfahrungen im Kundengeschäft verfügen. Idealerweise waren Sie bereits für eine große Geschäftsbank an einem der Offshore-Handelsplätze tätig. Wir erwarten von Ihnen, daß Sie die geschäftspolitische Initiative, die Selbständigkeit und das Durchhaltevermögen besitzen, um diese fordernde Aufgabe erfolgreich zu bewältigen. Neben fundiertem Fachwissen sind gute Englischkenntnisse und ausbaufähige Französischkenntnisse wichtig. Bei entsprechen Deutschkenntnissen kommen auch Manager anderer Nationalitäten in Frage.

Wenn Sie sich von dieser anspruchsvollen Aufgabe angesprochen fühlen, dann sollten Sie sich mit uns in Verbindung setzen. Bitte senden Sie Ihre aussagefähigen Bewerbungsunterlagen (Lebenslauf, Zeugniskopien, Lichtbild) unter der Kennziffer MA 617/06 z. Hd. Herrn N. Heinrich (01049-221/20506-52), Frau P.-M. Lochner (01049-221/20506-27) oder Herrn K.-D. Sänger (01049-221/20506-24), die Ihnen auch für telefonische Vorabinformationen zur Verfügung stehen. Die vertrauliche Behandlung Ihrer Bewerbung sichern wir Ihnen Bewerbung sichern wir Ihnen zu. Sperrvermerke werden gewissenhaft berücksichtigt.

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COMPANY NOTICES

AIP FINANCE N.V.

US $15,000,000 GUARANTEED FLOATING RATE NOTES 1994

The interest rate applicable to the above Notes in respect of the interest period commencing 31st January 1990 will be 9⅛% per annum.

The interest amounting to US $230.96 per US $5,000 principal amount of the Notes and to US $461.92 per US $10,000 principal amount of the Notes will be paid on 31st July 1990 against presentation of Coupon No. 6.

BANK LEUMI (UK) Plc
Principal Paying Agent

bank leumi בנק לאומי

LEUMI INTERNATIONAL INVESTMENTS N.V.

US $60,000,000 GUARANTEED FLOATING RATE NOTES 1990 EXTENDIBLE AT THE HOLDERS OPTION TO 1993

The interest rate applicable to the above Notes in respect of the interest period commencing 31st January 1990 has been fixed at 8⅝% per annum.

The interest amounting to US $43.36 per US $1,000 principal amount of the Notes will be paid on 31st July 1990 against presentation of Coupon No. 14.

BANK LEUMI TRUST COMPANY OF NEW YORK
Principal Paying Agent.

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PERSONAL

THE VANDIJCK'S CLUB SUGGESTION FOR MAKING THE BEST OF A WEEK'S HOLIDAY THIS SUMMER.

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LEGAL NOTICES

BAKER GROUP PLC

Registered number: 2224647
Nature of business: Holding company
Trade classification: 19
Date of appointment of joint administrative receivers: 8 January 1990
Name of person appointing the joint administrative receivers: Barclays Bank Plc
JOSEPH PATRICK CONSIDINE and CHRISTOPHER JOHN HUGHES
Joint Administrative Receivers
(Office holder nos 666 and 141) of Cork Gully
Churchill House
Churchill Way
Cardiff CF1 4XQ

GREAMES OPTICAL SERVICES LIMITED

Registered number: 497175
Nature of business: Manufacturer of Spectacles and Lenses and Marketing of Spectacle *Frames and Optical Equipment.*
Trade classification: 11
Date of appointment of joint administrative receivers: National Westminster Bank Plc
JOHN FREDERICK POWELL and
IAN NAPIER CARRUTHERS
Joint Administrative Receivers
(Office holder nos 249 and 314) of Cork Gully.
43 Temple Row, Birmingham B2 5JT.

PERSONAL

PUBLIC SPEAKING

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LEGAL NOTICES

IN THE MATTER OF WERNER & WERNER LIMITED
AND
IN THE MATTER OF THE CYPRUS COMPANIES LAW CAP 113

Notice is hereby given that the creditors of the above-named company which is being voluntarily wound up are required on or before the 2nd day of March 1990 to send in their full names, their addresses and descriptions, full particulars of their debts or claims and the names and addresses of their *solicitors (if any) to the undersigned Mr Antony* Haji Roussos FCCA of Julia House, 3 Themistocles Dervis Street, P O Box 1612, Nicosia, Cyprus, the liquidator of the said company, and if so required by notice in writing from the said liquidator, are personally or by their solicitors, to come in and *prove their debts or claims at such time and* place as shall be specified in such notice, or indefault thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Date this 31st day of January 1990
A Haji Roussos FCCA
Liquidator

IN THE MATTER OF MONSHILL MARKETING LIMITED
AND
IN THE MATTER OF THE CYPRUS COMPANIES LAW CAP 113

Notice is hereby given that the creditors of the above-named company which is being voluntarily wound up are required on or before the 2nd day of March 1990 to send in their full names, their addresses and descriptions, full particulars of their debts or claims and the names and addresses of their solicitors (if any) to the undersigned Mr Antony Haji Roussos FCCA of Julia House, 3 Themistocles Dervis Street, P O Box 1612, Nicosia, Cyprus, the liquidator of the said company, and if so required by notice in writing from the said liquidator, are personally or by their solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Date this 31st day of January 1990

A Haji Roussos FCCA
Liquidator

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Appointments Advertising

appears every Wednesday and Thursday, (Friday International Edition) for further information please call: 01-873 3000

Elizabeth Arthur ext 3694
Jennifer Hudson ext 3607
Adam Futeran ext 3559
Stewart Maddock ext 3392
Nicholas Baker ext 3351
Richard Huggins ext 3460
Sarah Gabe ext 3199

The University of Calgary

Chair in Insurance and Risk Management

The University of Calgary invites applications and nominations for the newly established Chair in Insurance and Risk Management, the first English University level program in Canada. The Chair and program, developed in response to market needs, enjoys a $2.4 million endowment by the Insurance Industry and the Province of Alberta. The successful candidate will be responsible for implementing the new program and will teach and conduct research in the fields of insurance and risk management. The candidate will have: an international reputation in scholarship; leadership, communication and organizational skills; and in-depth knowledge of the industry. Salary is negotiable. The initial appointment will be for a five-year term beginning July 1, 1990.

The University of Calgary provides a stimulating research and teaching environment. It is located in a dynamic city, one of Canada's major financial centres with unsurpassed recreational opportunities. The Faculty of Management, *which offers AACSB accredited programs,* is housed in Scurfield Hall, a building specifically designed to meet the needs of management education. The Faculty's *Future Fund in excess of $12 million is used to facilitate* research and development.

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Nominations and applications must be submitted before March 31, 1990 to:

Search Committee
Chair in Insurance and Risk Management
c/o Dr. M. Brinkerhoff
Office of the Vice-President (Research)
The University of Calgary
2500 University Drive N.W.
Calgary, Alberta, Canada T2N 1N4

THE UNIVERSITY OF CALGARY